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NEWS SUMMARY

GENERAL

Labour Left presses Foot

Strong efforts will be made this week-end to persuade Mr. Michael Foot, the deputy leader, to stand for the Labour Party leadership.

The Left-wing, apparently, fears that Mr. Denis Healey could win on a first ballot against Mr. Peter Shore and Mr. John Silkin.

Pressure for Mr. Foot to be chosen as a caretaker until the Labour Party has settled a new way to pick the leader came yesterday from executive member Mr. Eric Heffer MP and Mr. Arthur Scargill, the Yorkshire miners' leader. Back Page

Queen sees Pope

The Queen spent two hours in talks with Pope John Paul II in the Vatican. Today she makes a private visit to Naples and Pompeii.

Thatcher stunned

Mrs. Thatcher said that the Motor Show, which she opened at Birmingham yesterday was stunning and fantastic, and spoke of new understanding and determination in industry. BL says all 6,000 new Metros in the showrooms on Tuesday have been sold. Page 3

Iraq says No

Iraq has rejected a proposal that ships trapped in the Shatt al-Arab should be evacuated under the United Nations flag—they must fly the Iraqi flag because it is an Iraqi river, says President Saddam Hussein. Gulf War, Page 2

Australia votes

Australia votes today in an election Premier Malcolm Fraser called a month ago, confident his Liberal-Country Party coalition would win. Four late opinion polls suggest Labour will win more votes. Page 2

Israeli attack

Israel say it killed nine guerrillas in a night attack on a Palestinian stronghold in South Lebanon. The Palestinians say 21 Israelis were killed.

Arms talks open

U.S. and USSR opened new talks in Geneva to limit long-range nuclear missiles in Europe.

Advice to Botha

African Premier Pik Botha have his Economic advisers to South called for the repeal of the law limiting the ratio of black workers to white in key industries as bad for economic growth.

Hulk purchase?

Orkney Council is interested in buying from the receiver the hulks of eight German battleships scuttled at Scapa Flow in 1919—as an attraction for divers.

Briefly . . .

Soviet cosmonauts Popov and Ryum grew 1.18 inches in their 185-day space flight—but are losing the gain.

Terence Kerr was jailed seven years for the manslaughter of a priest at a Greek Orthodox church in South London.

Sir Michael Duff, Lord Lieutenant of Caernarvonshire since 1960, who died in March, left the Queen a Louis XVI clock from Versailles.

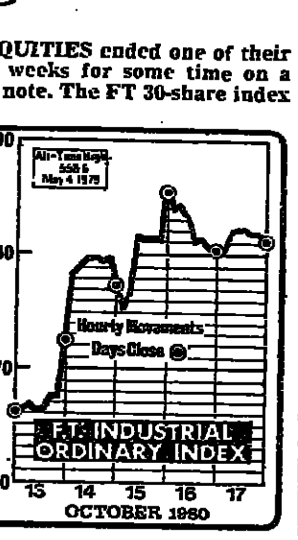
Italian attempt to climb Everest was abandoned because of bad weather.

Mount St. Helens, the U.S. volcano, erupted for the second time in 12 hours after two months' quiet.

BUSINESS

Equities up 14.8 on week; gold off

● EQUITIES ended one of their best weeks for some time on a firm note. The FT 30-share index



closed 0.7 up at 481.1, a 14.8 rise on the week. Page 22

● GILTS retreated slightly. The Government Securities Index lost 0.05 to 70.74. Page 22

● STERLING's trade-weighted index rose to 77.2 from 77, a new 5½-year high.

● GOLD declined $7 to $666.5 in London, $18 on the week. Page 21

● DOLLAR improved again to DM 1.8425 (DM 1.8285) its best level for six months. Page 21

● WALL STREET was off 3.41 at 955.29 near the close. Page 18

● IRISH CENTRAL BANK said it would take measures to halt any further fall in interest rates—unless warranted by underlying trends—following a one point cut in Irish banks' interest rates.

● BL CARS' union negotiators rejected an improved 6.8 per cent pay offer last night for its 73,000 hourly-paid manual workers. Page 3

● WEST GERMAN protests against possible European Commission action to cut EEC Steel production may peter out next week before the Nine meet to declare a "manifest crisis" in the industry.

● JAPAN'S $950m (£393m) monthly balance of payments surplus is its first for 15 months. Page 2

● PAN AMERICAN World Airways won approval from the U.S. Civil Aeronautics Board to operate a scheduled service between the U.S. and China.

● CHASE MANHATTAN was among several U.S. banks to raise its prime lending rate from 13.5 to 14 per cent. Back Page

● FIAT'S Italian car plant production restarted yesterday ending the 35-day industrial dispute. Page 2

COMPANIES

● METTOY, toy manufacturer, reported a pre-tax loss of £2.17m in the first 36 weeks of 1980 compared with a profit of £703,000. Turnover was more than £6m lower at £16.44m. Page16: Lex, Back Page

● AUDIOTRONIC has lost £4m after tax and extraordinary items in the year to March 1. Shares fell a further 1p to 2½p. Page 16

● ALBERT MARTIN Holdings, clothing manufacturer, reported a pre-tax loss of £425,000 for the first half of 1980 compared with a profit of £450,000. Page 16

● FORWARD TECHNOLOGY Industries reported pre-tax profits of £2.32m for the interim 12-months to June 30, 1980, compared with £2.1m. Page 16

Retail price growth rate falls to under ¾% monthly

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE GROWTH of retail prices has slackened to less than ¾ per cent a month since the spring despite a continuing sharp rise in prices charged by nationalised industries.

Department of Employment figures published yesterday show that the retail prices index rose by 15.9 per cent to 270.2 (January 1974=100) in the year to mid-September.

This compares with 16.3 per cent previously and a peak of 21.9 per cent in May. The index increased by 0.6 per cent last month.

The recession and weak consumer demand have limited the size of price increases for a wide range of private-sector goods and services as industry and retailers have tried to reduce excessive stock levels.

The Prime Minister claimed yesterday that the latest drop in the 12-month rate showed that Government policies were working.

Speaking during a visit to the Motor Show in Birmingham Mrs. Thatcher noted that the interest rate was just about on the inflation rate, and hoped that "it will come down with the rate of inflation."

The latest figures show that the public sector accounts for a large proportion of present price rises.

A clear division has emerged between public-sector industries in monopoly positions and much of private industry, which is being squeezed by market pressures.

In the last five months, for example, the retail prices index has risen by 3.6 per cent, with increases of less than 2 per cent in prices of durable household goods, clothing and footwear.

But prices charged by nationalised industries for coal, coke, gas, electricity, water, rail and bus fares, postage and telephones have risen by 9.2 per cent.

In the past year nationalised industry prices have increased roughly three times as rapidly as those of clothing and durable goods.

The public sector accounts for a sizeable proportion of the already known price rises in the next couple of months, including domestic gas and coal prices, electricity and telephone charges, and British Rail fares.

The monthly rate of increase is expected to remain relatively low so that the 12-month rate of increase should continue to edge downwards, though there could be a slight hiccup in December.

The 12-month rate is already below the level of 16½ per cent forecast for the fourth quarter of this year by the Treasury in March.

Sir Geoffrey Howe, the Chancellor, said on Thursday that he expected "a considerable further fall" in the 12-month rate by spring. Officials apparently believe that the rate should be down to less than 13 per cent by then.

Some economists believe that the 12-month rate could be down to single figures within a year, though a lot will depend on the level of sterling and of pay deals in the coming round, as well as on the scope for companies to restore profit margins next year.

About a third of the rise in the retail prices index last month was the result of the

Continued on Back Page
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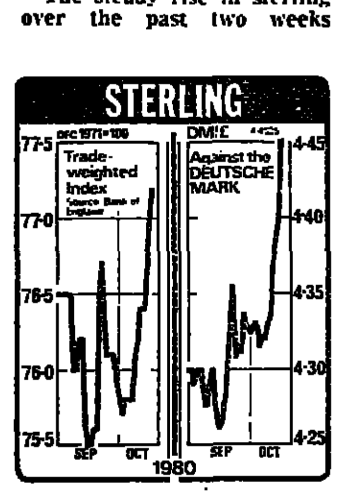
Sterling reaches 5½-year high as $ rises

By Peter Riddell

Sterling yesterday rose to a 5½ year peak in foreign exchange markets in spite of further gains by the dollar.

The pound's trade-weighted index, measuring its average value against a basket of other currencies, rose by 0.2 points to 77.2 for an overall rise of just under 10 per cent so far this year.

The steady rise in sterling over the past two weeks



reflects high domestic and Euro-sterling interest rates relative to returns abroad, and the market's expectation that this will continue for some time, as well as the familiar petrocurrency influences.

Sterling has performed much better recently against the Continental currencies than against the dollar, which has risen strongly this week in response to higher U.S. interest rates.

Yesterday the pound fell by 20 points against the dollar to $2.4155, while sterling rose to a new four-year high against the Deutsche Mark at DM 4.4525, against DM 4.4225 previously.

Since the end of last month, sterling has apreciated by 1.2 per cent against the dollar, by 2.8 per cent against the Deutsche Mark, and by 2.4 per cent against the French franc (to FFr 10.27¼).

£ in New York

—	Oct. 16	previous
Spot	$2.4185-4192	$2.4110 4120
1 month	0.81-0.76 dis	0.84-0.79 dis
3 months	1.69-1.64 dis	1.65-1.60 dis
12 months	3.00-2.85 dis	2.60-2.45 dis

CHALLENGER SWITCHES STRATEGY

Reagan yields on TV debate

BY JUREK MARTIN, U.S. EDITOR IN NEW YORK

MR. RONALD REAGAN yesterday agreed to take part in a televised debate with President Carter, in a dramatic switch in strategy.

The Republican candidate set the stage for what could be the most decisive event in this year's presidential campaign. No date for the confrontation has yet been set. However, it is likely to take place under the auspices of the League of Women Voters and in the last week before election day on November 4.

Mr. Reagan's change of mind is exclusively attributable to the belief of his advisers that his once healthy lead over the President has begun to erode seriously.

In spite of renewed pressure from Mr. Carter for a TV debate between them, Mr. Reagan had continued to argue that the independent candidate, Mr. John Anderson, ought to be included. It was Mr. Anderson's inclusion in the first debate last month in Baltimore that induced the President to pull out of it.

Yesterday, before leaving New York, where he had shared the same platform as Mr. Carter at a charity dinner the night before, Mr. Reagan insisted that he still thought Mr. Anderson should be a party to the debate. But he dropped his previous insistence that he would not otherwise appear.

The argument against facing Mr. Carter directly was that, as the front runner, Mr. Reagan had more to lose than gain. But his position as favourite is now in doubt.

Two recent national polls by Gallup and Harris have shown Mr. Carter narrowing the deficit to no more than three points. Another survey by the Washington Post of the seven biggest states put the two dead even.

The Republican's own pollster, Mr. Dick Wirthlin, has long insisted that the challenger needed to enter the last fortnight of the campaign with a cushion of a six to eight point lead to offset the natural drift to the incumbent that tends to take place as election day nears. That margin, in the opinion of the Reagan staff, no longer exists.

Nonetheless, the Reagan camp remains confident that he can best Mr. Carter in debate and, most particularly, can lay to rest the fears the President has successfully ignited that Mr. Reagan is a man more likely to lead the country into war.

The resumption of supplies of American military spares to Iran has not been ruled out by U.S. Government officials—if Iran first frees the captive U.S. diplomats. Iran has already paid for the spares which are sorely needed by Iran in its war with Iraq. Back Page.

Close encounter of a Presidential kind. Page 2
U.S. election feature. Page 14

China renews interest in buying French reactors

BY TONY WALKER IN PEKING

CHINA HAS agreed in principle to revitalise an agreement to purchase two French nuclear reactors costing about £800m according to President Giscard d'Estaing now on a visit to Peking.

The French President told correspondents at the end of several days of talks that Chinese leaders had decided to go ahead with the purchase after being offered satisfactory long-term finance.

China abandoned plans to purchase the reactors in the middle of last year because the cost was considered too great in the light of the programme of economic readjustment.

A French official accompanying President Giscard said China had second thoughts about postponing when it realised that energy shortages would otherwise pose grave problems for the country's development.

France had begun negotiating the sale of the two nuclear reactors early in 1978. Cancellation of the order was regarded as a major setback for Sino-French trade.

In the original agreement, part of a FFr 60bn (£6bn) trade package, China proposed to buy two 900 MW Westinghouse-License reactors to be supplied by Framatome, nuclear subsidiary of the Creusot-Loire engineering group.

It was orginially planned the purchase would be financed through a FFr30bn credit line involving 18 French banks.

No details of the new financial arrangements was given by French officials accompanying Giscard, but it is thought possible the terms have been made more attractive by extending the period of repayment.

The President gave no indication when China would make a firm decision on the purchase.

David Dodwell writes: News of the renewed commitment to nuclear power will come as a disappointment to many scientists and officials in China who have serious reservations about the cost and safety of nuclear power.

In the light of a debate waged surprisingly openly in recent months, it seems unlikely that the Chinese Government will adopt nuclear power anywhere except at Guangdong in the South east and Shanghai on the east coast—primarily because, elsewhere, thermal stations using coal and hydro-electric power plants are likely to provide cheaper energy.

That France has apparently won the contracts will disappoint entrepreneurs in Hong Kong and Britain.

Sir Lawrence Kadoorie, chairman of Hong Kong's electricity utility, China Light and Power, has held close negotiations with the Guangdong authorities in Canton in recent months and hoped to win any contract to develop nuclear power in the region. His hopes now seem to have been dashed—and with them the hopes of British contractors who would have won a large proportion of the work on the contract.

Monopolies reference hits Grand Met. bid

BY ANDREW FISHER

GRAND METROPOLITAN'S agreed £84m bid for the troubled Coral Leisure Group has been blocked by a reference to the Monopolies Commission.

The hotel and brewing group had already won overwhelming agreement from shareholders for the bid when it was announced yesterday that the offer would lapse as a result of the reference.

Always regarded as possible because of the two group's major betting interests, the move for the offer to be investigated came as a disappointment to both companies.

"I just hope they've got it right, that's all," Mr. Stanley Grinstead, Grand Met's managing director, said. Coral's shares, slid by 11p yesterday to 81p, compared with their valuation under the bid terms of just over 99p.

Those of Grand Met, however, added 4p to 157p. The group now has to decide whether to await the decision of the Commission in six or more months' time, or withdraw now, and is likely to say more next week.

The investigation by the Monopolies Commission, which will look chiefly at the possibilities of restricted competition in gaming and betting, means that Mr. Nicholas Coral, chairman of Coral, will not receive his £300,000 compensation.

The size of this record golden handshake was the subject of a stormy shareholders' meeting on Monday at which Mr. Coral said he was sorry to be going out on such "a bitter and sour note." The payment was dependent on the bid being completed.

Coral Leisure made no comment yesterday on the lapsing

Continued on Back Page
Coral gambles for time. Page 17

Grain yield may beat forecast

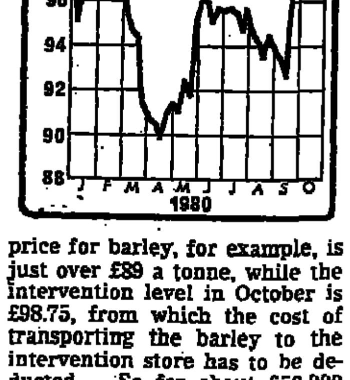
BY JOHN EDWARD, COMMODITIES EDITOR

THE UK grain harvest could be even bigger than the record crop already forecast, according to the latest yield estimates from the Ministry of Agriculture.

The new estimates published yesterday, envisage a grain crop of 16.7m tonnes in England and Wales. Even allowing for a shortfall in the Scottish harvest, total UK production is likely to reach at least 19m tonnes—well above last year's record 17.3m tonnes.

British grain production has been rising steadily in recent years, stimulated by the improved prices paid to farmers under the Common Agricultural Policy—and helped by favourable weather conditions.

The increased supply is creating problems for grain farmers, since demand has fallen. For the first time this year, large quantities of surplus British grain have been offered for sale to the Intervention Board at the minimum price guaranteed under the EEC grain support regime, since market prices are well below these guaranteed levels. The current ex-farm



price for barley, for example, is just over £89 a tonne, while the intervention level in October is £98.75, from which the cost of transporting the barley to the intervention store has to be deducted. So far about 650,000 tonnes have been offered to the board, and a large quantity has been taken off the market, although some of the wheat has failed to meet the quality specifications.

The EEC Commission is attempting to dispose of the growing surplus of grain in the Community by subsidising exports, enabling EEC grain to compete on world markets. The subsidy makes up the difference between the EEC guaranteed price and the world market value.

The gap has narrowed because of the rise in world market prices, following forecasts of another poor harvest in the Soviet Union and greatly increased imports by China.

The EEC Commission said yesterday it would include China among the zones eligible for subsidies on wheat exports. This is to help a deal under which France plans to sell China 500,000 to 700,000 tonnes of wheat annually over the next three years.

The EEC still refuses to subsidise exports to the Soviet Union, in support of the U.S. embargo on grain sales imposed in January, in protest at its invasion of Afghanistan.

Commodities Tables, Page 19

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Associated Leisure	127	+ 10
Crouch Group	180	+ 9
Ferranti	454	+ 7
First Class Securities	60	+ 7
Grand Metropolitan	157	+ 4
Grattan Warehouses	76	+ 6
GUS A	446	+ 8
Greycoat Estates	146	+ 5
Mills & Allen	333	+ 13
Northern Engineering	62	+ 4
Owen Owen	122	+ 8
Renwick	50	+ 5
Stylo Shoes	120	+ 10
Thorn EMI	339	+ 7
Utd. Carriers	220	+ 8
Wintrust	82	+ 10
Attock	298	+ 12
Shackleton Petroleum	94	+ 10
Vultan Minerals	300	+ 25

FALLS

Allied Colloids	109	− 5
Brooke Tool	48	− 4
Coral Leisure	81	− 11
Courtney Pope	42	− 3
Hunting Gibson	138	− 8
Mettoy	19	− 2
Michael (J.)	13	− 8
Phoenix Assurance	284	− 8
Royal Insurance	435	− 8
Sketchley	234	− 6
Turriff	74	− 8
Vitatron NV	200	− 25
Anglo-Vaal	£19	− 1
East Rand Prop.	£15½	− 1
Greenbushes Tin	575	− 75
Grootvlei	600	− 33
Peko-Wallsend	540	− 35
South African Land	600	− 33

CONTENTS

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OVERSEAS NEWS

JAPANESE BALANCE OF PAYMENTS

£393m surplus is the first for 15 months

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

JAPAN RECORDED its first monthly balance of payments surplus for 15 months in September as exports rose sharply and imports slackened off.

The surplus amounted to $950m (£393m), even larger than the amount forecast a few days before yesterday's official release of the figures. On a seasonally adjusted basis, the current account was in the black by a modest $431m (£178.3m) but this is still a spectacular reversal from the situation in August, when the current account registered a seasonally adjusted deficit of $482m.

The main factor in September's impressive performance was a 25 per cent increase in the value of Japan's exports over levels of a year ago to a record $11,480m. Imports, which had been rising sharply in earlier months because of higher oil prices, rose only 5 per cent to $9,510m, mainly because of a shrinkage in the volume of oil imports.

The resulting trade surplus of $1,970m contrasts with a much smaller trade surplus of $314m in August.

The invisible account of the balance of payments, which is permanently in deficit, was in the red by $1,020m in September (down from $1,178m a month earlier). This, combined with the surplus on visible trade, produced the $950m current account surplus.

The Finance Ministry also yesterday published details of Japan's trade with major overseas partners for the six months from April to September.

The figures (in yen and on a customs clearance basis) show a 42 per cent increase in exports to the EEC to Y1,922bn (£3.8bn) in sharp contrast with almost static imports (up 0.7 per cent to Y870bn). Japan's exports to the UK during the same period were up 29.5 per cent to Y462bn while its imports were down 6.3 per cent (to Y187bn).

The dismal record of EEC trade with Japan during the past six months is in sharp contrast with American trade performance. The U.S. recorded a 26 per cent increase in exports to Japan while its imports were up only 24 per cent.

Korean students demand resignation of President

BY ANN CHARTERS IN SEOUL

ABOUT 200 students demonstrated at Korean University in Seoul yesterday, calling for the resignation of President Chun Doo-hwan.

Another 1,000 students watched as 500 riot police dispersed the students who also demanded that a national referendum for a new constitution scheduled for next Wednesday be called off and for the trial of dissidents to be suspended.

The student protest came just after the Korean Government partially relaxed the state of martial law to the level at the time of the severe riots in the south of the country last May.

A few scuffles resulted in the detention of 30 students according to eyewitness reports from the campus.

At a Press conference on Thursday, the Government said it would take "resolute steps" against students creating instability.

Yesterday President Chun indicated that he planned to lift martial law completely before presidential elections next March and that political activities should resume after the referendum and as soon as laws defining political activities and parties are drawn up.

Reuter adds: South Korea will increase its power-generating capacity to 20m kW by 1991 from the present 0.35m kW but will build no more oil-burning plants, Park Dong-hwan, the energy resources minister said.

Commission forecasts sombre 1981 for EEC

By John Wyles in Brussels

THE EEC can expect 1981 to be its second successive year of falling growth and rising unemployment despite the fact that a six-month period of recession now appears to be drawing to a close.

This sombre prospect is forecast by the European Commission's annual economic report whose main concern is to assess the impact dealt to the EEC's economy by the second oil-price "shock."

Its general conclusion is that the 1979 price increases found the EEC in less robust shape than the 1973-74 round and as a result recovery "may not be as easy and rapid" as before.

Thus, growth among the Nine will be only 1.3 per cent this year and 0.6 per cent in 1981, while unemployment will rise from 6 per cent to 6.8 per cent. Consumer price inflation should hit a post-1975 peak of 12 per cent this year and fall to 9.7 per cent next year.

The Commission's country-by-country 1981 growth projections range from a high of 2.5 per cent for Ireland to a low of minus 0.6 per cent for the UK. Britain's inflation is forecast to drop from 18.7 per cent this year to 14 per cent, just below the 15.3 per cent forecast for Italy.

Unemployment of 8.2 per cent is forecast for the U.K. against Belgium's anticipated 9.8 per cent and Ireland's 10.1 per cent. Luxembourg, with its 0.8 per cent remains the best jobs market.

The report's policy recommendations are significant because they represent a consensus among the Nine about the general framework in which they should be managing their economies.

Unsurprisingly, the accent is on monetary policy, which the Commission believes may be close to providing the foundations of renewed growth without inflation. Increases in the EEC's monetary aggregates have declined from 13½ per cent in 1978 to 10 per cent in 1980, compared with rises of 17½ per cent in 1973.

Since the Commission avoids directing specific advice at individual member states, its policy guidelines are general. It urges the Nine to maintain a "steady" money supply policy whose restrictiveness should depend on the trend in inflation.

Malaysia boosts arms budget

Malaysia's Government has budgeted for a big increase in defence spending next year. Wong Sulong reports from Kuala Lumpur. Out of total expenditure of 22.2bn ringgit (£4.4bn), defence and internal security take 23 per cent, the biggest single slice.

The increase in military spending and the decision last month by Datuk Hussein Onn, the Prime Minister, to take personal charge of the Defence Portfolio reflect Malaysia's growing concern about political instability in South-East Asia. Total spending on defence and internal security for 1981 will be 5.1bn ringgit, 45 per cent more than allocations for this year.

Tengku Razaleigh, the Finance Minister, told Parliament that total expenditure next year would be 30 per cent higher than this year. The aim was to boost public spending to sustain economic growth in the face of continuing world recession. The Malaysian economy was expected to grow by 8 per cent this year—higher than originally estimated — while real growth rate of 7.6 per cent is projected for 1981.

Pope meets the Queen

The Queen met Pope John Paul at the Vatican yesterday, James Buxton reports from Rome. In a conversation which concentrated mainly on world events the Queen is reported to have endorsed the movements towards greater Christian unity and said that the Pope's visit to Britain would enable things to be seen in a new and constructive light.

Torture charge

A senior Turkish police officer, Mr. Mustafa Haskiris, who is alleged to have tortured to death a teacher suspected of terrorism a fortnight ago, went on trial before a martial law court yesterday and faces up to 15 years in prison, Metin Munir reports from Ankara. Mr. Haskiris has denied the charge.

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Jurek Martin reports from New York on the first meeting between Carter and Reagan

Close encounter of the Presidential kind

Mr. Carter, left, looked strained. Mr. Reagan, right, seemed thoroughly at home at the Al Smith memorial dinner in New York

JIMMY CARTER is, by heart, a preacher, and Ronald Reagan, by profession, an actor. So, together for the first time in many a month here in New York on Thursday night, each paraded his respective talents for the benefit of the other, giving a tantalising private preview of what a debate between them might be like, if it ever happened.

The Thespian emerged unscathed. But the evangelist dipped his toe in the hot water of controversy by appearing to attack, albeit indirectly, his host for the evening, the Catholic Church.

The occasion was the annual Al Smith diner. This is a special and grand occasion in New York political society. Run by the Catholic archdiocese of the city, it honours the memory of the progressive four-times state governor, whose defeat in the 1928 presidential election by Mr. Herbert Hoover is generally ascribed to the religious prejudice of the time against Catholics.

It is an event traditionally marked by a combination of humour and homily, but supposed to be devoid of obvious politicking. Yet so sharp has become their political rivalry that for Mr. Carter and Mr. Reagan their presence on the same platform, bedecked in white tie and tails, lent real if ephemeral drama.

Mr. Carter sought to upstage Mr. Reagan: he arrived after both the main course and an intermittently hilarious speech by a local judge, and left as soon as he himself had finished. The two shook hands twice, a bit stiffly.

The President looked rather strained. Mr. Reagan thoroughly at home—as well he might, given the fact that the Catholic hierarchy has shown sympathy for his candidacy because of his opposition to abortion and his support for tuition tax credits to help private and parochial schools. Mr. Reagan, throughout, got the better reception.

The Republican spoke first, the President barely a foot away at his elbow. He thanked the archdiocese for "bringing us together . . . at last." He cracked a funny joke, using a passable imitation of a southern accent, the punchline of which was that he kept looking younger because was always riding older horses.

Then the actor really took over, as he said his pleasure was muted because American hostages were still in captivity in Iran, and as he paid tribute to the memory of Al Smith. That he tried to associate himself with Al Smith's humanitarianism, a quality which he himself is often accused of lacking, was an artfully disguised political point, driven home by the great expertise and timing of his delivery.

Mr. Carter's speech was three times as long. It had some deft initial lines; the Presidency he warned Mr. Reagan with mock solemnity, was a "terrible, terrible experience." He said that Lawrence Klein had won the Nobel Prize for economics for the excellent advice he had tendered on how to reduce inflation and interest rates.

Mr. Reagan, he went on, was "an engaging, charming and gracious man—it's hard to believe he keeps saying all these mean things about me." Still, he was glad Mr. Reagan was on the same platform—"otherwise he might be out campaigning in some close State."

But there is an intermittent fault in Mr. Carter—that he does not know when to leave well alone. So, when he got round to paying ritual tribute to Al Smith, his remarks, intended to emphasise the virtues of tolerance, were interpreted by many in his audience as a political assault on the Catholic Church.

Mr. Jody Powell, his faithful press secretary, said afterwards that Mr. Carter's support for the separation of Church and State, and his advice that no minister should tell a congregation how to vote from the pulpit, was aimed at the politically active Protestant right wing, if at anybody. But, as was widely observed on Thursday night, the Catholic Archbishop of Boston recently urged his flock to oppose Democratic candidates because of their stands on social issues.

The speech was, in a sense, vintage Carter, out of the 1976 bottle. He had tried it out earlier in the day on a student audience on Long Island, and it worked reasonably well, for the President retains the ability to convey his undoubted passion on such issues as intolerance and discrimination.

But, at the Al Smith dinner, he misread the occasion and the audience, and allowed his words to carry him away, regardless of their merit. Win or lose next month, he may have addressed his last Al Smith dinner. He was even booed briefly, when he broke the occasion's non-political rule with what was intended to be a humorous remark. Noting Mr. Reagan's recent conversion to the idea of providing federal aid for New York City, Mr. Carter said he had called Mayor Koch of the city "not to get too close to Governor Reagan." "It has nothing to do with politics," Mr. Carter said, "but only that the Governor's 'I Love New York' button still has wet paint."

Fiat production restarts as deal ends picketing

BY RUPERT CORNWELL IN ROME

AFTER AN unprecedented 35-day stoppage, the worst post-war industrial dispute in Italy, production at last restarted yesterday at the Italian car plants of Fiat.

As it became clear overnight that a majority of workers at the company would accept the peace agreement settled in Rome on Wednesday morning, the pickets who have prevented entry into Fiat plants for the past fortnight were removed.

But for technical reasons, production will not get back into full swing until next week. Moreover, a significant minority of the company's workers are still against the terms of the deal, and some of the plant assemblies yesterday were refusing to endorse the settlement.

Nonetheless, it seemed likely that signature of the 11-point agreement would go ahead last night by Fiat's management and by the unions, who are certainly the biggest losers in the affair.

The company yesterday was not concealing its satisfaction at having won a formula which will lead to the shedding of jobs it has always sought. As well as the 23,000 men who will go on State-subsidised layoff, others will be affected by early pension schemes and retirement incentives.

Israel hits PLO bases in Lebanon

By Ihsan Hijazi in Beirut

ISRAEL, apparently capitalising on the Arab preoccupation with the Iraq-Iran war, struck in southern Lebanon yesterday. Airborne commandos landed northwest of the Litani River and attacked Palestinian guerrilla targets at the villages of Al Jarmak and Aishieh.

Simultaneously, Israeli gunboats bombarded the Tyre and nearby Palestinian Rashidieh camp from the sea, setting fire to pine woods, according to the State-controlled Radio Lebanon.

At Al Jarmak and Aishieh, which are about 15 miles north of the Israeli border, the commandos landed by helicopter, and engaged Palestinian guerrillas in a three-hour pitched battle in which rocket-propelled grenades and heavy machine-guns were used, according to eyewitnesses.

The Israelis claimed to have destroyed guerrilla buildings and vehicles. The Palestine Liberation Organisation's news agency (Wafa), said the attack was a failure.

Wafa quoted a PLO spokesman as saying that the Israelis suffered heavy losses and casualties.

The Israeli attack heightened tension in the south, and provoked artillery duels between Palestinian guerrillas and Israeli-backed Christian militias.

E. German leaders reveal fears on Poland

BY LESLIE COLITT IN BERLIN

EAST GERMANY leaders have made new accusations against West Germany and revealed a growing fear that political changes in neighbouring Poland might endanger their own country.

Herr Willi Stoph, the Prime Minister, who together with the former West German Chancellor, Herr Willy Brandt, opened a decade of detente between the two Germanies at their first meeting in Erfurt in March 1970, called West Germany a "battering ram against social progress."

He and other Politburo members speaking throughout East Germany repeated earlier demands by Herr Erich Honecker, East Germany's Communist leader, that there can be no improvement in relations with West Germany until Bonn recognises East German citizenship and exchanges ambassadors with East Berlin.

The West German Government regards these demands as a smokescreen covering a decision by Moscow and East Berlin to freeze relations with Bonn.

The move was ushered in on Monday by East Germany drastically increasing the currency exchange requirement for West Germans and West Berliners visiting relatives and friends

General Erich Mielke, the East Germany Minister of State Security, said in a speech at his ministry that in the "current tense situation" the state security forces have a "very great" responsibility to foil the West's "counter revolutionary intrigues against the socialist states."

Poland's new independent trade unions and the opposition there are condemned as "counter revolutionary" by the Soviet Union, East Germany and Czechoslovakia.

Warsaw Pact talks delay union registration

BY CHRISTOPHER BOBINSKI IN WARSAW

THE TWO-DAY Warsaw Pact Foreign Ministers' meeting scheduled to begin tomorrow will give the Polish authorities a chance to answer the fears of their socialist allies about internal developments.

According to officials, the meeting will discuss prospects for detente and the Madrid conference and each delegate will present a review of the situation in his own country.

The Warsaw Pact meeting means in all probability that the Polish authorities have had to suspend registration procedures for Solidarity, Poland's largest independent union.

After a five-hour meeting on Thursday in the Warsaw district court between Solidarity and the judge concerned, both sides were happy about the text of of the union statute

But the formal registration ceremony expected for today has been put off, probably in deference to the Warsaw Pact meeting.

The Solidarity national committee is to meet on Monday in Jastrzebie in Silesia to discuss the need for another protest strike against Government policy towards the union.

TEHRAN'S FOREIGN POLICY

Why Iran keeps spurning its potential friends

BY OUR FOREIGN STAFF

MANY IRANIAN leaders have have been almost proud of their country's isolation since the U.S. diplomatic hostages were taken last November. "Neither East nor West, but the Islamic Republic," is the slogan of Iran's revolutionary leader Ayatollah Khomeini.

War with Iraq has brought home the consequences of Iran's isolation. Libya and Syria have sided with Tehran, but this has more to do with their long antipathy to President Saddam Hussein of Iraq than sympathy for the rulers of Iran.

The contradiction in Iranian policy is simple. Tehran has promised to fight a long war. It will be difficult to do this without allies, yet Iran continues to spurn its potential friends. And if Iraq wins victories in the field the Arab states will be more inclined to back Baghdad.

Mr. Rajai: his visit to the UN is Iran's first major foreign policy initiative since last November

Recognising this, President Abolhassan Bani-Sadr of Iran asked at the beginning of the war how Iran could publicly declare that it intended to export its revolution and at the same time exclude all the international media. This attitude instantly ran into the stern opposition of the fundamentalist Islamic Republican Party, which controls Parliament.

The views of President Bani-Sadr's "nationalist" grouping and those of the "religious" grouping diverge so sharply that one senior Foreign Ministry official said: "It seems that some people in authority do not believe in either a Foreign Ministry or in a foreign policy. The Prime Minister's office pursues a different foreign policy from that of the President's office. Both President Bani-Sadr and Mr. Mohammed Ali Rajai, the Prime Minister, have appointed their own foreign policy advisers and these play important roles in the respective kitchen cabinets."

Mr. Mansour Farhang, previously Iran's ambassador to the United Nations, put forward a general critique of the purist and isolationist "religious" wing in a recent article in the President's own newspaper, Islamic Revolution. Mr. Farhang argued that "according to Islamic ideals and principles, most of the governments in the world are not legitimate and just . . . if we sincerely use such criteria we will consider only ourselves to be in the right. . . ."

Attitudes to relations with Europe, the Eastern bloc and the Third World all depend on which grouping one asks. Interestingly, the Islamic Republican Party is "softest" on relations with the Communist world.

The nationalist wing is the most stridently anti-Soviet, giving considerable publicity to reports of Russian arms deliveries to Iraq. The Nationalists remain in favour of alliances with Europe (particularly France and the countries seen as more independent of the U.S. and the Third World.

One Islamic Republican leader who takes a more sophisticated view of international affairs is Dr. Mohammad Beheshti who, in answer to a question suggesting that the U.S. might "indirectly aid Iran," said: "America has never supported us . . . but if one of the superpowers because of their antagonisms with each other, changed their policy then it would be nothing to do with us."

In general, however, the view from the Islamic Republican Party is unrelenting "curse on all your houses" which finds any playing of the diplomatic game anathema.

The logic of the arguments about rejoining the international community, however, is clear to all the protagonists—it means releasing the 52 U.S. hostages. As the hostage issue has greatly aided the radical and fundamentalist elements in their rise to power and influence, it will not be easy to persuade them to accept a quick end to the matter now.

Iraqi forces close in on Abadan city

BY OUR FOREIGN STAFF

BACKED BY heavy artillery fire, Iraqi troops and tanks are closing in on Abadan city. The road leading north from the refinery town to Ahwaz has been cut and the six oil pipes linking Abadan to the oil facilities further north are on fire, according to eye-witnesses.

The Iranians have responded to the Iraqi attacks with hit and run raids by jeeps fitted with recoilless rifles and machine guns. Two Iranian jets attacked the advancing Iraqi troops.

The Iraqis appear to be avoiding heavy casualties by avoiding street battles and by extensive use of their heavy artillery.

As yet, there is no sign of any general Iranian counter-attack developing.

Further north, the Iranians claimed yesterday to have killed 100 Iraqi soldiers and destroyed 15 tanks during raids by airborne troops near Mehran and Ilam province. In the city of Khorramshahr, just north of Abadan, the official Iranian news agency reported hand-to-hand fighting.

Metro is a launch-day triumph with dealers and drivers

ALL 6,000 METROS in BL dealers' showrooms on launch day last Tuesday have already been sold, said Mr. Ray Horrocks, chairman and managing director of BL Cars, yesterday, writes Kenneth Gooding.

And dealers in various parts of Britain yesterday reported that interest in the car remained at a very high level and they wished they could get more Metros.

On remarked: "I have had more people in my showroom since the launch than I have seen for years. There were 20 in here inspecting the Metro at 10 o'clock this morning."

Other comments ranged from "it has been given an ecstatic welcome" to "it's the best thing that has happened in a long, long time."

Mr. Goldie Goldsmith of the Dutton-Forshaw Group insisted: "This is not going to be a one-day, flash-in-the-pan. People want this car to be a success.

"There has been fantastic interest, even from people who would not normally be customers for this type of car but would buy something more expensive.

"We had one customer who had just bought a second-hand car but when he saw the Metro said: 'That's the car I want' so he is selling the other car before he has even driven it."

BL Cars has received reports about dealers' launch parties for the Metro where 5,000 people turned up at the showroom.

"The great thing is that we had some cars for sale at the launch for the first time in years. Our salesmen were able to walk around at the celebrations with order books in their hands," said Mr. Goldsmith.

Mr. Horrocks admitted that the welcome given the Metro exceeded anything BL dared hoe for.

One significant coup involved a continental endurance test carried out by Autocar magazine. Of the eight motoring writers who drove Metros more than 5,000 miles in four and a half days through several European countries, two said they would be buying Metros themselves.

And there was an unsolicited testimonial from Mrs. Thatcher at the Motor Show yesterday when she said she had "stolen" a Metro from her chauffeur and had found it "a super car to drive."

Mrs. Margaret Thatcher, the Prime Minister, sits at the wheel of BL's new Mini-Metro after opening the Motor Show yesterday. She pronounced the show "stunning," the Metro "super," and praised manufacturers for their new designs, technology and quality

LEYLAND VEHICLES announced at the Motor Show that it had collected orders worth £17m over the past few weeks—including export contracts worth £13m.

Among the orders are some for the T45 Roadtrain truck from major companies such as Avis Truck Rental, Shell and British Road Services. Leyland reckons this is an indication of the wide acceptance of the new range

The company exports about half its production. Recent export orders include:

55 buses worth £1.5m for China Bus of Hong Kong.

88 Boxer trucks for Australia worth £750,000.

204 Clydesdale buses worth £1.5m for Zimbabwe.

Trucks, including the new Landtrains, worth £5m for Nigeria. This new export is also doing well in the Middle East, collecting orders worth £220,000.

LANCIA BETA cars' rust problems and the attempts by the Italian group "to treat customers fairly" could cost as much as £4m according to Mr. Paul Embrey, the general manager.

Since news of the corrosion problems broke in April some £2m has been spent. Mr. Embrey forecast that the final bill for Lancia in Britain could be double that sum.

Lancia, the Fiat subsidiary, is not handing over money but offering Beta owners "comparable cars at sensible prices."

The company was expanding its network from 110 in January to 170 by the end of this year and this was proof that "Lancia has a lot of bounce," said Mr. Embrey.

BL union leaders reject 6.8% offer

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

UNION LEADERS representing BL Cars' 73,000 manual workers yesterday rejected an improved 6.8 per cent pay offer. They are urging workers to go for the *original 20 per cent claim.*

Shop stewards are angry at what they describe as a "derisory" response to their demand for an across-the-board rise of £17.21 a week. But their decision to consult the workforce reflects uncertainty about the amount of support for militant action.

BL seemed prepared last night to call the union's bluff. Mr. Geoff Armstrong, BL Cars' employee relations director, said: "We do not believe our employees will take industrial action at this crucial time in our recovery programme. This is the absolutely final offer. There is not a penny more. This is as far as we can go with our financial performance this year."

Union leaders in the past two pay rounds have suffered rebuffs from the shop floor which justifies the tough line taken by management.

Shop stewards yesterday reported widespread unrest at the extent to which inflation had eroded the real earnings of BL workers. But they recognised their weak position against a background of slack demand, extensive short time working and the need to persuade the Government to commit additional funds.

Mr. Armstrong told negotiators at the talks near Coventry that there was "no fairy godmother who will pay out."

Any Government finance was for investment in new models and facilities. BL was not prepared to divert money from investment programmes to finance pay increases. The money was not available to pay higher wages unless they were earned through increased productivity.

While the unions are presenting an apparently united front, there is the risk that the *engineering union, which tends* to represent the more skilled and better paid workers, could eventually break ranks.

The company has insisted any award must be a percentage *rise in order to maintain differentials.* The negotiators, reflecting the dominance of the transport workers union, insist that only a flat rate increase would be acceptable.

BL will hold talks next week with the four white-collar unions who have imposed an overtime ban throughout the company in response to the decision to go ahead with 3,300 compulsory redundancies.

BL has warned that the action by the staff unions could affect performance at a crucial time in its "finely-balanced recovery plan" and that thousands of other jobs could be at risk.

Freeze on regional grants criticised

THE GOVERNMENT was strongly criticised by building industry leaders yesterday for not abandoning its moratorium on regional development grants. Under the moratorium payments *are frozen for four months after* grants have been approved.

It is believed the Government has decided to maintain the moratorium as part of its programme to reduce public spending, in spite of pleas from private industry that the freeze on payments should be lifted.

Mr. Morrison Dunbar, president of the National Federation of Building Trades Employers, said yesterday that the moratorium was delaying payments for building work. This was putting a "serious burden on cash flow" particularly for small companies.

He told Federation members in Warrington: "Surely the urgent need to get industrial activity moving in development areas ought to galvanise the Government into improving the system of development grant payments."

Mr. Dunbar said because of "administrative delays" payments were sometimes taking as long as eight months. This was posing "serious problems" for building.

The moratorium, introduced by Sir Keith Joseph in June last year, would produce about £145m in public spending savings in a full financial year. However, the Confederation of British Industry has been urging the Government for several months to lift the moratorium on payments.

It appears that this plea has been ignored because of mounting concern about the need to hold down public spending.

The latest attack on Government policy by building employers underlines the increasing dissatisfaction felt by many sectors of the construction industry over Government handling of public spending.

Herbert cost state £56.5m

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

THE NET loss to the state of the failure of Alfred Herbert was put at £56.5m in Coventry yesterday when the machine tool group went formally into liquidation.

The loss is made up from the total £44m of public money which has been put into Alfred Herbert since it was rescued by the Labour Government, to which the National Enterprise Board (NEB) has agreed to add up to £12.5m to pay off creditors and bankers.

Provision was made by the NEB for the amount in its last accounts but, it is expected, some of the money will come out of Department of Industry funds.

Peat, Marwick, Mitchell, appointed as liquidators at yesterday's meeting, estimate the group's realisable assets at £12.4m as at September 30. Total liabilities are put at £24.9m, made up of £12.6m in claims by trade creditors, redundancy payments, etc., plus a bank overdraft with Barclays of £11.5m. The balance will be required to operate the outstanding parts of the group, comprising seven overseas companies, plus liquidation costs. The 200 or so preference shareholders will not receive any payment.

Herbert's recovery chances were dashed by the severe recession which hit the machine tool industry about a year ago—at a time when it was spending heavily on product development. A request to NEB for further aid was refused, and the decision was taken to try and stay in advanced technology machines by selling off other interests.

But this programee encountered difficulties due to the group's insufficient cash flow. The board decided in July that it would go for an orderly winding up. Since then, Herbert has successfully sold off virtually all its UK activities, albeit at deflated prices.

There is, however, the possibility that the final cost to NEB of honouring guarantees to creditors and the bank may be less than £12.5m. This will depend on the funds realised from the sale of the overseas subsidiaries, and a deal that has been struck with Tooling Investments, the company which took *over the Edgwick plant and the* Alfred Herbert name. If this company makes profits, it will be able to offset the tax losses carried forward from the old Alfred Herbert, and some of this will be re-paid to the liquidators.

Rates cut sought for telephone delay

By Andrew Taylor

A MAJOR British pension fund is seeking a rates reduction on one of its central London office properties because of the Post Office's *failure* to supply an adequate telephone system.

Representatives of the Merchant Navy Officers pension fund told a Camden local rates valuation court yesterday that the fund had been unable to complete a letting of the sixth floor of Lincoln House, High Holborn, because of a long delay in providing telephones for the prospective tenants.

St. Quintin, chartered surveyors acting for the pension fund, asked for the rateable value of the sixth floor be reduced from £19,555 to £3,222.

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This would cut the annual rent bill for the floor from £26,000 to £4,300. The court reserved judgment.

Mr. John Bassett, a partner at St. Quintin, said a letting had been agreed with Imperial Life Assurance of Canada, but the tenants were not prepared to move in until telephones were installed.

He said that Imperial Life had applied to the Post Office at the beginning of this year, but it was unlikely that a telephone system would be provided before April.

He said that without an adequate telephone system the sixth floor could not be used for office work and was unlettable as such. Until telephones were installed the sixth floor should be classified for storage use for rating purposes.

A Post Office spokesman said last night the delay had been caused because existing cable networks were inadequate. These were being improved, but work would not be completed until March.

The telephone service, under the management of British Telecom, has faced strong criticism from industry and commerce in recent months over long delays in supplying telecommunications equipment.

Union seeks EEC aid for Kilroot

BY NICK GARNETT AND RAY PERMAN

COUNT Etienne Davignon, EEC commissioner for industry, yesterday agreed to meet Mr. Jack Curliss, General and Municipal Workers Union Northern Ireland officer, in Brussels on Tuesday to discuss union requests for Community aid for the Kilroot area.

Imperial Chemical Industries announced this week that it is closing its fibres plant at Kilroot and its nylon salt plant at Ardeer, Scotland.

Mr. David Warburton, the union's national chemicals officer, said the union understood that the UK Government had not yet tabled all its specific applications for the £100m aid from EEC funds that was being made available for Belfast.

The General and Municipal, which organises all the process workers at Kilroot would be requesting if money could be diverted to the Kilroot area.

"Some form of assistance is crucial," said Mr. Warburton. "We would like to see more assistance from the UK Government but with financial cutbacks in the public sector they don't seem to be showing a great deal of interest."

Production workers at the Ardeer plant yesterday voted to oppose the plant's closure. About 300 members of the Transport and General Workers Union and the engineering and electricians unions voted unanimously to back attempts by their unions to prevent the closure going ahead.

Mr. Alastair Campbell, local officer of the Amalgamated Union of Engineering Workers said: "We are convinced that there is no argument, economic or otherwise, for closing the nylon plant."

Members of the Association of Scientific, Technical and Managerial Staffs at the Wilton plant on Teesside have already voted to resist compulsory redundancies by industrial action. The company, which has lost £38m in its fibres division in the first six months of this year, described that decision as very unhelpful in the current economic climate.

BR ready to attract private enterprise

BY ANATOLE KALETSKY

A NEW holding company, which will take over British Rail's hotel, shipping, hovercraft and property interests, is to be set up in about "three or four weeks" time, to allow private capital into these parts of BR's operations. This announcement, made yesterday by Sir Peter Parker, BR chairman, follows the decision made in July by the Government, to give the BR Board flexibility to sell parts of its non-railway businesses

The holding company will be wholly owned by the BR Board, but will be able to sell shares in its subsidiaries on the stock market and will undertake joint ventures with private investors as and when it thinks appropriate. In some of the subsidiaries, including the Sealink cross-Channel ferry company, *the BR holding company expects* to sell a majority holding to the private sector. Sir Peter expects private industry to provide important opportunities to revive the fortunes of some of the non-railway activities which recently have been starved of investment funds by Government controls over public spending.

The financial outlook is more gloomy for the railways. Sir Peter said that the £40m increase in BR's external financing cash limit for the current year, *while very welcome,* provides only about half the aid which the railways require. It is understood that BR now expects to over-run its new cash limit by about £35m, and not £28m as had been supposed a few months ago. Next year's revenue estimates have been reduced, in view of the worsening economic situation.

Stepping up its campaign to persuade public opinion and the Government that the railways need a completely new financial framework, British Rail intends *to publish before the New Year,* what Sir Peter described as a "sort of White Paper." The paper will include financing, productivity and investment suggestions which he feels will be needed to operate the railways successfully in the future.

Lloyd's installs electronic terminals

LLOYDS BANK, the smallest of the "big four" clearing banks, is installing electronic counter-terminals in its branches.

Lloyds is following a similar move over a year ago by Clydesdale Bank, the smallest of the Scottish clearing banks and a subsidiary of Midland Bank.

The terminals—about the size of a small portable typewriter—are placed in front of the cashier's window. They are operated by a customer passing his cash card through the machine. The customer enters cash requirements on the machine, the cashier verifies the transaction with central computer records and then pays out.

The terminals, which will be widely used in retail bank branches over the next five years, save time and money by eliminating paper transactions.

Chemical output falls 18% in eight months

BY SUE CAMERON, CHEMICALS CORRESPONDENT

PRODUCTION in the chemical industry dropped by more than 18 per cent from January to August, according to figures published yesterday by the Chemical Industries Association.

The association, whose figures are based on official statistics earlier this week, said latest estimates suggested that chemical industry production for the whole of 1980 would be between 8 and 9 per cent lower than last year.

Chemical export volumes were "*now declining rapidly* as weakening overseas demand, the high pound and strong competition take their toll."

From June to September export volume fell by 7 per cent. In the first nine months of the year the average export volume was 4 per cent lower than in 1979.

Chemical import volume is also down. From June to September it fell by 10 per cent and so far is about 13 per cent lower than the average for last year. The association warned that this one bright spot in the overall picture could soon disappear.

"*There are signs* that the rate of decline in imports is beginning to slacken.

BLX Plastics 'may fail to break even this year'

BY OUR CHEMICALS CORRESPONDENT

BXL PLASTICS — part of the British Petroleum group — warned yesterday that it may fail to break even this year because of the general slump.

Last year BXL made £8m profit on sales of £80m. But Mr. Peter Sharrock, managing director, said the results for 1980 would be "very poor."

Mr. Sharrock, writing in Crosslink, the newspaper of BXL and its sister company, Hythe Chemicals, said BXL had expected profits to fall this year because of the recession. It had hoped to increase sales to about £100m and to make a profit of about £3m.

But in April, demand for all products dropped sharply, and BXL started to fall behind its targets.

Heron raises cost of credit card petrol

BY SUE CAMERON

THE HERON chain of petrol stations has started charging its customers 15p a time if they choose to pay by credit card rather than cash at the pumps.

This move follows a report by the Monopolies and Mergers Commission last month which said credit card companies should allow traders to charge different prices for cash and card customers. Up to now, credit card companies have been able to enforce a single price structure on retailers using their cards.

Heron said yesterday that it had begun to charge credit card customers an extra 15p per sale. The company, which has 120 petrol stations scattered all over the country, added that other petrol retailers were doing the same.

Heron claimed that some were charging as much as 20p a sale, while others were asking credit card customers up to 4p a gallon extra.

Heron said the petrol companies — the chain sells most of the major brands — had been giving their dealers "credit card support" to help them cover the high cost of commission to the credit card companies. But this was to be withdrawn at the end of this month following the Monopolies Commission report.

The petrol station chain said credit card companies charged between 2 per cent and 3 per cent commission. This amounted to a charge of up to 4.5p a gallon. Heron claimed it made only a 3.2p a gallon profit margin on petrol selling at around 130p a gallon at the pump.

Upsdell moves to Hawley

BY JOHN MOORE

AFTER THREE years as chairman and chief executive of EMI Leisure, Mr. Robert Upsdell, has been appointed managing director of Hawley Leisure, the fast-growing amusement machines, sports and leisure company.

Mr. Upsdell said yesterday he wanted to go to "a company that is growing rather than getting smaller." Hawley is headed by Mr. Michael Ashcroft.

He said that the leisure side of Thorn EMI was a third of the size it was a year ago following the merger of Thorn and EMI.

Westward move

WESTWARD TELEVISION shareholders yesterday voted to adjourn indefinitely an extraordinary meeting originally called by Lord Harris, the new chairman, to settle future management of the troubled company.

Munnings' works fetch £46,000

By Antony Thorncroft

A TYPICAL painting by Sir Alfred Munnings of riders at a point-to-point sold for £18,000 at a Christie's sale of modern British pictures yesterday. The buyer was the London dealer Frost and Reed. In 1967, the same painting sold at auction for £7,000. Frost and Reed also paid £17,000 and £11,000 for two more works by Munnings.

Another London dealer, D'Offay, bought "King's, Cookham Rise," by Stanley Spencer for £16,000, an auction record for the artist.

Sotheby's held a sale of ephemera. Nine First World War posters sold for £170; 8,000 cigar bands for £380; seven Pirelli calendars for £170; an original Donald McGill poster design for 40; a large collection of cheese labels, dating from 1920, for £300; a riding crop, once the property of Lord Olivier, for £50; and 12 Music Hall songs for £95.

Prison officers' leaders agree to ACAS talks

By Our Labour Staff

PRISON OFFICERS' leaders have agreed to attend exploratory talks with the Advisory, Conciliation and Arbitration Service on their mealbreak payments' claim, which has led to widespread industrial action

ACAS officials, who have been maintaining informal contact with the Prison Officers' Association and the Home Office since the dispute began, decided to invite the POA in to discuss its two claims following reports of a meeting on Thursday between the POA and the Home Office which *showed the two sides to be still* a considerable distance apart.

At present there is no sign of the Home Office becoming involved

Cunard plans airlift from stranded ship

CUNARD has arranged for 750 passengers—now aboard the strikebound cruise ship Cunard Countess at Bridgetown, Barbados—to be flown to San Juan, Puerto Rico, *where they may catch* scheduled flights home.

The National Union of Seamen have called the strike in protest against Cunard's plans to transfer the ship to a Bahamian subsidiary and sail her under the Bahamian flag.

The 270 crew fear they will lose their jobs and have refused to sail the ship out of Bridgetown.

The company said it had pledged to keep all the British seamen on full pay and to give them jobs aboard the line's flagship, the QE2, as vacancies arise.

Flour mill strike threat lifted after revised offer

BY PHILIP BASSETT, LABOUR STAFF

UNIONS representing 700 flour mill maintenance workers yesterday lifted their threat of industrial action, which was to begin on Monday, after accepting a revised pay offer that the unions put at 17 per cent but employers valued at about 15 per cent.

The unions had threatened to bring out the craftsmen if the employers' side, the National Association of British and Irish Flour Millers, did not improve the offer yesterday. Action by the craftsmen, who maintain the now largely-automated flour mills, could have posed a threat to bread supplies.

Following acceptance of a reconstituted offer by union negotiators, the Amalgamated Union of Engineering Workers, which represents the bulk of the craftsmen, countermanded by telephone earlier written instructions to members to strike from the first shift on Monday.

The accepted offer will lift the industry's minimum craft or "book" rate by £11 to £79.35. Mr. Gavin Laird, AUEW executive member and chief union negotiator, drew attention to the fact that for the first time ever the rate exceeds the national minimum rate in the engineering industry, this week set at £79.

Although this represents a 16 per cent rise, the employers claim that very few craftsmen earn only this basic rate and that rates from mill to mill have been increased by the offer by only 15 per cent.

The employers also agreed to reinstate in the offer an earlier element, tabled and then withdrawn, linking holiday pay to average earnings. Mr. Laird called this a "substantial improvement."

The employers had earlier *claimed that this element* constituted the difference between earlier offers of about 12 and 15 per cent, but they were insistent yesterday that the accepted offer was worth only "slightly above" 15 per cent. Mr. Laird thought it worth 17 per cent.

Employers have also agreed that a joint working party on the unions' claim for reducing the working week must report back by next April.

Cutlery industry attacks stainless steel 'prices bias'

BY ELAINE WILLIAMS

AN URGENT Government investigation into price discrimination by Far Eastern stainless steel producers against the UK has been called for by the British cutlery industry. A report by an industry working party, published yesterday, claims that British manufacturers have to pay twice as much as Far Eastern competitors for raw materials.

The working party was set up two years ago with Department of Industry backing to look into the cutlery and flatware industry's problems. Far Eastern stainless steel producers, it claims, quote different prices to UK and Far Eastern cutlery manufacturers.

The report also urges the Government to impose controls on low-cost imports of cutlery and flatware from outside the EEC.

Other recommendations include:

1—Government aid to improve the industry's production facilities to compete more effectively against imports;

2—A Government order under the Trades Descriptions Acts to make manufacturers clearly state the origin of cutlery parts. This is to eliminate the practice of stamping foreign made blanks which are finished in the UK with "Made in Britain."

The industry, which includes producers of trade knives, scissors and silverware, as well as table cutlery has been hit steadily by growing imports over the last 30 years. Imports have now secured about 70 per cent of the UK market.

With some products, such as stainless steel table knives, imports are 95 per cent of UK sales. Only 20 per cent of the prestigious silverware sector—valued at £20m a year overall—remains in the hands of British companies.

Employment in the industry has dropped from 14,000 in 1959 to about 5,000 today and the number is still falling. Today Sheffield has only about 140 cutlery and flatware companies compared with more than 600 in 1935.

Mr. Jack Wadsworth, chairman of the working party, said that in some sectors of the industry such as in table knives, forks and spoons there was considerable idle capacity on the production lines.

The only flourishing and expanding cutlery and flatware industries in western Europe were in France and Italy, where import controls had been maintained. Britain, however, had been bombarded with imports

The problem had been compounded because some British makers were importing cutlery blanks and finishing them in the UK since it was more economic than domestic manufacturing.

THE WEEK IN THE MARKETS

When the strongest stumble

The stock market rose steadily through the early part of the week as the FT 30 Share Index gained 19.2 points by the close on Wednesday, a little over 4 per cent. Gilt-edged were also moving upwards, and the long tap was exhausted on Wednesday, despite tightness in the money markets as the antics associated with banking make-up day approached.

These advances seem to have been triggered when foreign purchases of gilts and sterling early on Monday provoked further hopes that interest rates might be allowed to fall. When Glaxo's figures proved a bit less dismal than expected (and were unencumbered by the rumoured rights proposal) the stock market was ready for more rises.

The trade figures for September were received on Wednesday as a reasonably encouraging sign, although the

LONDON

ONLOOKER

current account surplus of £444m was seen to result from the flatness of demand for imports and continued destocking—exports of finished manufactures had started to decline. The money supply figures which showed a 0.6 per cent increase in sterling in M3 money stock were not that inspiring. So a market which had seemingly ignored Monday's bleak industrial output statistics, as well as the confirmation of ICI's fibre plant closures, rather ran out of steam at the end of the week.

ICI's axe

Imperial Chemical Industries responded to the growing crisis in its fibres and petrochemicals divisions with the announcement during the week of two plant closures and over 4,000 redundancies.

The stock market reacted with some relief that the chemical giant had taken action but the shares have been seriously underperforming the FT All-Share Index this year and the results for the third quarter are expected to be very poor.

Profits in the three months to June had been halved to £72m and the fibres division alone had lost £38m in the first six months of the year to add to the accumulated deficit of £104m in fibres between 1975 and 1979.

The group intends to close its Northern Ireland polyester plant at Kilroot, Carrickfergus, where 1,100 people are employed and the nylon salt plant at Ardeer in Scotland will also be shut with the loss of a further 800 jobs.

The workforce at its fibres plants in Pontypool, Gloucester and Doncaster will also be reduced by a fifth.

The response from the unions concerned, particularly among the white-collar workforce, has been hostile but the group has explained that in the face of serious over-capacity in the European fibres industry, substantial U.S. import penetration, a marked decline in domestic textile output and a gradual but emphatic consumer *switch away from cheap, man-made clothing*, it was given very little choice.

ICI also blamed the high cost of debt, adverse currency parities and the disproportionately onerous domestic energy bills for the acceleration of fibre losses but it now seems confident *that it can wrench the* division out of the red by concentrating on more specialist products while maintaining Terylene polyester as a major brand.

Closure costs will run out at around £30m and will probably be taken above the line, although the *group is still* deciding whether to incorporate the effects of massive surgery in the third quarter or at the year end.

Whatever decision it takes, overall profits are expected to be heavily down on the 1979 pre-tax total of £560m. Some divisions are progressing well, notably *pharmaceuticals and fertilisers* while it also has very valuable source of revenue in its 19 per cent stake in the *Ninian Field*.

Against that, petrochemicals have turned seriously into loss this year after a very strong period of growth, in line with the near collapse of the industry throughout Europe. Plastics, a major customer of ICI's petrochemicals, is struggling and the *dyestuffs division is suffering* from the slump in fibre and textile production.

Carrington Viyella, in which ICI has a 49 per cent stake, is a notable casuality of the UK textile malaise.

The chemicals group has put its own people on to the CV board, although for the moment, it is stressing the independence of the two companies. Yet CV is in need of a big injection of *fresh funds in the near future* and would presumably be expected to look to its big shareholder for help. This may not be the very best time for ICI to play the role of the rich uncle.

M & S confidence

The slump in sales at Marks and Spencer in the summer of 1979 may have been a blessing in disguise for the company. It found that its prices were out of line with those of the competition, and announced an immediate programme of price cuts. Suppliers were "invited" to play their part in the price restraint and the group was able to deal with stock problems early. So when the *full impact* of the recession hit the retailing sector this year, M & S was braced to take the strain—and not the least of its advantages was that it had fired an early shot in the price-cutting publicity war.

While the company announced an 11 per cent decline in pre-tax profits for the half year to September to £68.9m, the underlying trend in volume is now moving firmly in *the right direction*. Sales volume was well down in the first quarter in non-foods, but a strong performance in the subsequent three months, particularly in August and September, means that volume has risen by 1½ per cent overall. Against the depressed retail *figures for the economy, this* indicates that Marks and Spencer is now seizing market share back from its rivals. In foods the picture is brighter still, with volume up 10 per cent or so.

In other words it looks more and more as if the price-cutting *campaign has been a success*, and bad though times may be consumers are spending more in the group's stores. Margins are of course still under pressure, with prices barely higher now than a year ago, but costs are up a relatively modest 15 per cent and higher volume should improve productivity. It is likely that when arch-rival British Home Stores reports next week, the volume and profits trends will look much less happy. Meanwhile, M and S may manage to hold pre-tax profits for the full year within a million or two of the £173.7m last time. The prospective p/e of about 16½, fully-taxed, underlines the stock market's confidence in the group.

Shipyard salvo

Another episode in the story of the nationalised shipyards took place this week when Yarrow accepted the Government's offer of £6m in compensation. Like Vosper, which accepted £5.3m last week, Yarrow is convinced that the terms are grossly unfair. It is also considering an appeal to the European Court in the hope of getting the conditions of nationalisation declared to be in conflict with human rights. The grounds of dispute centre on the basis of valuation. The principal objections are that the compensation formula:

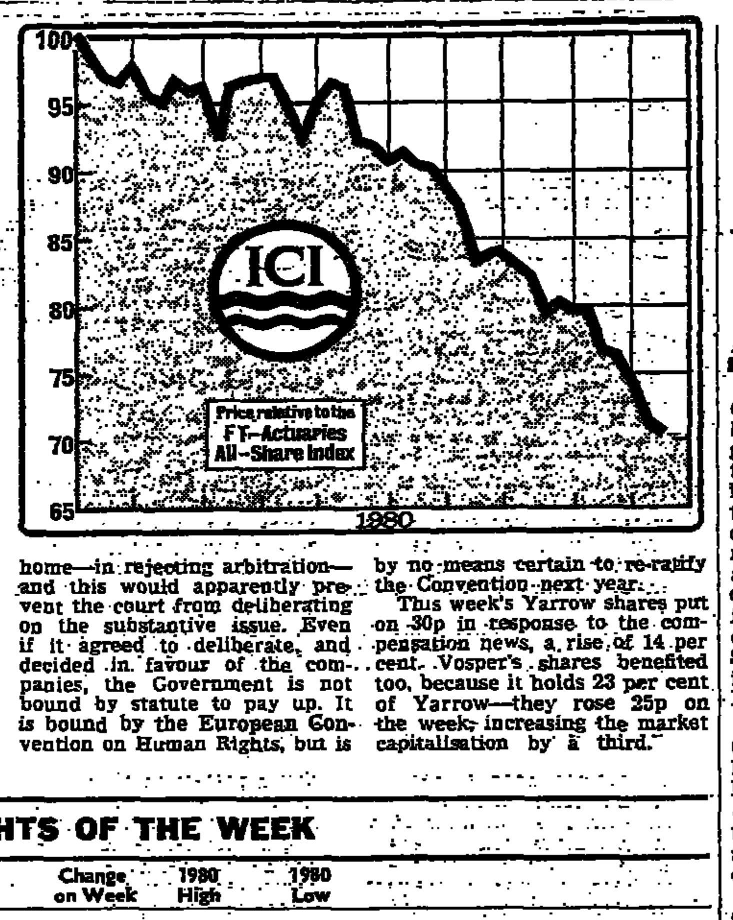
—neglected the change in the companies' value in the four years *before* vesting day;

—includes no element of bid premium in the share prices on which the valuations were made;

—made no allowance for the inflation occurring in the several years since the transfer of ownership.

The prospect of litigation in Strasbourg cannot inspire great certainty, as there are two imponderables to add to the obvious question over the court's verdict. It may be held that the companies have failed to exhaust the possibilities of settlement at home—in rejecting arbitration—and this would apparently prevent the court from deliberating on the substantive issue. Even if it agreed to deliberate, and decided in favour of the companies, the Government is not bound by statute to pay up. It *is* bound by the European Convention on Human Rights, but is by no means certain to re-ratify the Convention next year.

This week's Yarrow shares put on 30p in response to the compensation news, a rise of 14 per cent. Vosper's shares benefited too, because it holds 23 per cent of Yarrow—they rose 25p on the week, increasing the market capitalisation by a third.



MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1980 High	1980 Low	
FT Ind. Ord. Index	481.1	+ 14.8	508.9	406.9	Engineers' moderate pay deal
FT Gold Mines Index	500.5	— 32.1	558.9	265.5	Uncertainties in bullion market
Arrow Chemical	33	+ 9	116	20	Speculative interest
Assoc. Biscuit Manufacturers	63	— 10	91	62	Poor half-yearly profits
BP	438	+ 34	440	320	Fresh oil price rises anticipated
Brown (John)	74½	+ 6	75½	46	Investment demand
Candecca	274	+ 51	274	50	Speculative support
Coral Leisure	81	— 10	96	54	Grand Met. bid referred to MC
English Assn. Amer. Bond	475	+150	485	125	Investment buying
Glaxo	226	+ 14	260	182	Relief over preliminary statement
Greenbushes Tin	575	+360	750	†	Major tantalite discovery
Kleinwort Benson	262	+ 24	264	120	Merch. banks/inv. recommendation
Lake and Elliot	36	+ 9	55	25	Strong second-half recovery
Lawrie Plantation	375	— 20	470	375	Annual profits setback
Royal Bank of Scotland	111	+ 14	114	75	Bid speculation continues
Rugby Portland Cement	77	+ 7	82	54	Good interim results
Shell Transport	444	+ 28	446	314	Fresh oil price rises anticipated
Tronoh Mines	390	+ 65	390	220	Merger hopes
Vosper	100	+ 25	205	75	Compensation hopes
Vultan Minerals	300	+205	350	9	Stake in Greenbushes Tin

† Not available.

Technological wonderland

NEW YORK

IAN HARGREAVES

CONSIDERING that America's business leaders have spent a goodly portion of their lobbying time in Washington this year haranguing politicians with dire tidings about the country's declining research and development efforts, Wall Street appears to have remarkable confidence in the U.S. capacity for better mousetrapping. Indeed, judging by events on Wall Street last Tuesday, confidence is far too moderate a word. Euphoria might do better.

Tuesday, of course, was Genentech day, the day when a bunch of scientists from San Francisco offered investors the *opportunity to buy stock* in their young company, which has a book value of $11m and annual earnings still in six figures.

The offer price was $35 per share, but within minutes of release, Genentech shares were changing hands for over $80 per share, after which the gamblers *had their day, driving the price* up and down until it stumbled towards weekend at $54.

Experienced Wall Streeters said they had not seen anything like it, even in the sizzling '60s, when men were still reaching for the moon and Wall Street's high technology love song was *at top volume*.

One insider closely involved with the deal said he believed the Genentech shares could have been offered at any price under the sun, and still investors would have slapped an instant and weighty premium on them, such was the nature of the advance publicity and the excitement.

Reason was clearly not on Wall Street's agenda that day, although some of the wiser old hands (although no doubt wiser old hands who had not managed to buy Genentech at $35) were warning about the dangers of other, lower quality high technology issues capitalising on the Genentech rage to over-price themselves and dupe investors.

It is curious, however, that high-tech should have become the fashion just now. Partly it is a question of supply and demand as there has been a serious shortage of bright new offerings for the market to cast its eye over in recent months. It remains to be seen, however, whether an increase in the supply, among which will be another hot tip, Apple Computer, will dampen enthusiasm.

Some say that the renewed emphasis on defence spending is the cause, with electronic warfare and satellite supremacy now as important to Americans as winning the Moon race.

Then there is the enthusiasm for things high tech and medical. Genentech, which specialises in genetic splicing research, is associated, somewhat erroneously, in the public mind with one issue which matches the moon shots in its appeal: a cure for cancer.

Additionally, cynics say, in spite of Reaganism and the defeat of *Kennedyism, there is* no real prospect of the U.S. ever cutting back its health welfare programmes and every long term prospect of them being extended.

So, if you look at the top 50 companies in terms of price-earnings performance in September, as *compiled by Kidder* Peabody, these are some of the names: Hospital Corp., American Medical International, National Medical Enterprises and many other companies whose advanced electronics work has medical applications.

Taken together with the other boom *stock group of the last* year, the oils, high tech accounts for 72 per cent of the list. Oils continue to be spurred by the threat of oil shortages stemming from the Mid East war and the domestic energy boom in the U.S. and Canada. Several of the top group straddle oil and technology such as companies like Newpark Resources, Gearhardt-Owen, Schlumberger and EC and G.

The top 10 in September read as follows: Computervision, M/A (electronics), Rolm (defence electronics) Prime Computer, Scientific Atlanta (satellites), Flight Safety, Newpark Resources, Gearhart-Owen, Veecom Instruments (electronics) and Helmerich and Payne (oil drilling). *P/e* ratios ranged from 23 to 43.

Of course, not all are winners and therein lies the speculative *appeal of the sector*. At least the market is mobile and rewards good judgment.

Monday	959.90	+ 9.92
Tuesday	962.90	+ 2.30
Wednesday	972.44	+10.24
Thursday	958.70	—13.74

You can write your ticket, young man

"IF ONLY they realised it," he said, "the world is their oyster and we need them now, let alone in a few years time when the industry is going to have to crack on mightily to supply the next wave of demand for metal."

He was one of the mining people I have been talking to this week. He echoed the general view that one of the industry's major problems is in finding enough of the mine geologists and skilled technicians that operate in a more *sophisticated industry than* perhaps many school-leavers and graduates may realise. In these days of job difficulty, it is an area that they should investigate.

The mining companies with their risk capital and know-how for the development of natural resources also have the world as their oyster and this is something that the politicians should not lose sight of. The world is about to be opened up on a *much larger scale for mineral* development and the various countries may find themselves competing to attract the resource developers.

In Australia today, the Federal election will decide whether the present Liberal administration will reign for another three years or be replaced by Mr. Bill Hayden's Labor Party. When the latter party was last in office it was no friend to the mining industry and probably checked a good deal of new mining development.

This time Labor is proposing a resources tax, which, many observers fear, will mean heavier taxation of the mineral industry. It is also proposing to freeze certain domestic fuel prices which is not going to help the vigorous oil and gas exploration participants.

There appears to be no easing in the party's opposition to uranium mining, although the projects already given the *go-ahead such as the big* Ranger venture should be safe enough; the A$57.5m (£28m) public offer of shares in the holding company, Energy Resources Australia, the largest equity flotation made in Australia, was immediately over-subscribed when it opened this week.

The idea of a tax on gold mining appears to have been dropped by Labor—some say that the fact that there is a marginal vote in the reviving Kalgoorie gold mining area may have had something to do with it—and, all in all, my Australian mining friends feel that a new Labor administration might not be so difficult to live with as the previous one. After all, they point out, Australia needs the *help of overseas capital to* develop her huge resource potential.

They still feel, however, that the Liberals will win the day by a narrow margin. "I'd guess at something like a 14-seat majority" said Mrs. Millie Phillips when I met that tough little lady this week.

As chairwoman of International Mining Corporation she became one of the legendary figures of the great nickel boom at the beginning of the 1970s with IMC's discovery of nickel values at the Trough Wells prospect in Western Australia.

It was a controversial discovery, to say the least, and the find never lived up to its earlier promise. IMC shares, which had soared from the equivalent of 20p to over 350p in the space of about six weeks, soon fell back to earth, becoming unwanted at around 16p.

The company survived and so did Millie. Like her solitaire diamond ring — the kind that is measured in carats and not fractions thereof — she has *about her a no-nonsense hardness*, albeit with a sparkle. And the sparkle these days comes from IMC's growing find of oil shale deposit at Mount Coolon in Queensland. It looks good, but I must add that I have never yet met an Australian exploration person who was not full of optimism.

That must certainly apply to the people at Greenbushes Tin which this week has announced that it has outlined huge new

MINING

KENNETH MARSTON

reserves at its Greenbushes tantalite operation in Western Australia. The new find, said to be shaping up as the world's biggest deposit of the ore, could have an in-ground gross value of over A$2bn (£1bn), according to Mr. John Linden, the company's managing director.

At all events, it has lifted Greenbushes shares this week from 215p to 750p at one time. Shares of Vultan Minerals have *also jumped through the hoop* —from 95p to 350p — the company having thoughtfully obtained an interest of some 37½ per cent in Greenbushes when it sold Greenbushes mining rights to the area in 1978.

The attraction about tantalite is that it gives rise to tantalum *which in its various forms has* a strong market in the electronics industry. A major use for it is in capacitors for ignition systems, while its other applications include use in computers and as an additive in hard metals such as tungsten and molybdenum.

But, as I indicated earlier, Australia is far from being the only country in the world with an exciting mineral potential. An up-and-coming contender is Brazil which has already moved up to fourth place in the non-Communist gold production league and has long been a major producer of *iron* ore: in 1979 it was the Western world's largest producer after Australia which was not all that far ahead.

This *week the* Brazilian Government has taken the first step in what must be one of the most ambitious mineral programmes on record. It is intended to turn the previously remote jungle region of Carajas in the eastern Amazon area of Brazil's northern state of Para into a huge mineral-producing province at a cost of something like $30bn (£12.4bn).

According to Brazilian Government estimates, this mineral treasure house holds some 18bn tonnes of iron ore, 4.7bn tonnes of the aluminium-producing bauxite ore, 1bn *tonnes of copper, 125m tonnes* of nickel, 60m tonnes of manganese, plus gold, tin and goodness knows what else.

Breath-taking though they are, these figures are only estimates and just how much of this mineral wealth will eventually be mined at a profit is something that only time will tell. But there is little doubt that Brazil does have an exciting potential and, for starters, *President Joao Figueiredo has* this week given the go-ahead for a $2.5bn project which aims to produce an annual 35m tonnes of iron ore for export by 1985.

It will be financed as to 40 per cent by the state-owned Companhia Vale do Rio Doce and the rest of the money will be drawn from national banks and foreign loans. Like Australia, Brazil needs foreign capital and mining companies to exploit her mineral resources and, already, the overseas mining groups are actively seeking mining opportunities.

One of the leading figures in the mining industry who is attracted to investment possibilities in South America generally is Mr. John Duncan, chair*man and chief executive of St.* Joe Minerals, the biggest producer of lead in the U.S. The group's interests range farther afield, of course, and even include a participation in oil and gas exploration in southern England.

More importantly, St. Joe has *invested over $300m in the past* five years in world oil and gas exploration and development and expects to put a further $590m into it during the next five years. These investments include a stake in the North Sea Buchan field. Last year about half St. Joe's earnings *came from lead, zinc and iron* ore with the rest being divided between precious metals, coal, oil, and gas.

Mr. Duncan tells me that, despite the poor market for zinc, he still expects that this year's pre-tax earnings will exceed the record 1979 total of $157.9m before write-offs of $47.6m on the closing of the Pennsylvania zinc smelter. Looking ahead he aims for a more equal split between the earnings *contributions of St. Joe's major* products, with the help of North Sea income and a partial re-opening of the zinc smelter.

Matters will also be helped by the 80 per cent-owned open-cast gold mine in Chile which is due to reach full production next year, turning out some 250,000 oz gold. It includes a recently discovered deposit of 50,000 tonnes of ore that grades an incredibly rich 10oz gold per tonne. Little wonder that South America fascinates the mining men, even if its politics are not as stable as those in Australia.

Not taking the biscuit

BY RICHARD LAMBERT

THIS WEEK'S interim statement from Associated Biscuit Manufacturers (ABM) represented a setback in more ways than one. The profits decline from £5.4m to £1.3m pre-tax was a lot steeper than the City had been expecting. More fundamentally, the explanations for the downturn raised *questions about the aggressive* strategy which ABM's management has been following in the last few years.

When the chief executive, Dr. Keith Bright, joined the board in 1977, he found a business that had been gently drifting for several years. Its most important brands, Jacobs Club and Jacobs Cream Crackers—were under attack in the market place, and the overall profits performance was deteriorating.

His response was forthright. ABM recruited a stream of new managers, stepped up its advertising considerably, and mounted an attack on overheads. It also embarked on a string of acquisitions in France, Germany, the U.S. and the UK, *culminating two years ago* in a £16m bid for Smiths Food, the leading snacks business.

Now ABM is having to consolidate on its expansion, and it is finding the going tough. The big disappointment is that one of its German acquisitions, the Dickmann group, has turned *sour. The business was already* in difficulties last year, but the annual report in April suggested that a cost reduction exercise would start to bear fruit in 1980. In fact, the German company has moved sharply into the red, with a downturn of around £900,000 before interest costs. That accounts for about half the fall in ABM's trading profits.

Profits from the French acquisitions are a bit lower, too, and Smiths' contribution is around £400,000 lower at the trading level. This, however, is seen as the strictly temporary effect of a much increased marketing effort, and Smith's profits could actually be a little higher for the year as a whole.

Meanwhile ABM is also having a difficult time in its main business—biscuit manufacturing in the UK. Its big advertising spending has brought a modest increase in market share, but *in an intensely competitive trading* climate ABM has not been able to translate this gain into higher profits.

Overall volume sales of the biscuit industry are marginally lower this year, and consumers seem to have been switching down to cheaper brands. Thus volume in chocolate lines has fallen by about 6 per cent, and branded biscuits as a whole have slipped by around 4 per cent. Against this, "own label" volume has risen by about a tenth.

The result of all this is that group profits before interest have fallen by about a quarter. Interest costs have doubled, and a very high tax charge — the result of the German losses—has more or less wiped out attributable profits.

But the interim dividend has been maintained, and although profits for the full year are going to look pretty sick — analysts seem to be pencilling in around *£6m against £11.6m* pre-tax — ABM has not suggested that the full year's dividend is in danger. Dr. Bright stresses that the group has not got a cash problem, and expects little change in the gearing ratio this year.

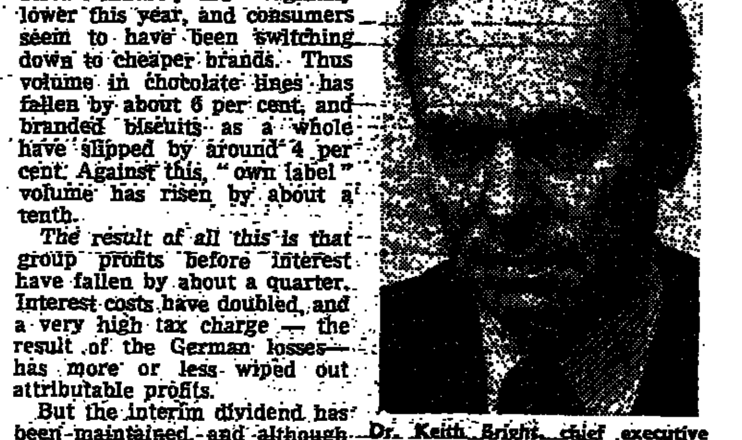
Last December, net borrowings *represented about three-fifths* of tangible net worth.

Over the short-term, there is clear scope for recovery. The German problem is being attacked with hatchets and if the losses are not stemmed soon ABM will look for a way out altogether. Any fall in interest costs *would have a big impact* on profits.

The worry for the longer term, however, lies in the strength of ABM's competition. It has about a sixth of the UK biscuit market. United Biscuits has over two-fifths, and is not responding passively to the *attack on its market* share. During the next four or five years, it plans to spend over £100m on its British biscuit business, and while about half of this will be spent on normal upkeep the rest will represent an extra investment to improve productivity and reduce costs. This spending amounts to the best part of 10p in the pound on biscuit turnover during the period, which is a very substantial figure.

Associated British Foods is another powerful competitor, which has also been spending heavily on new plant and equipment. Mr. Garry Weston, the chairman, says that the Burton Biscuit group has increased its volume in the home and export markets this year, and expects to maintain margins in the face of intense competition. "Lovely marketing ideas may work out all well and good," he says. "But they can also be very expensive."

So the key question for ABM is whether it has resources to increase its market share in a profitable way and cope at the same time with the new businesses which it has acquired. Obviously it is wrong to read too much into one set of figures. But the City will certainly have ABM under the microscope in the months ahead and the shares—*yielding a bit over 10 per cent*—are going to be treated warily.



Dr. Keith Bright, chief executive of ABM

FINANCE AND THE FAMILY

Paternity and a will

BY OUR LEGAL STAFF

I am about to get a solicitor to draw up my will. I have never married and have four brothers and four sisters, with whom I quarrelled many years ago, since when I have had no contact with them. I also have a daughter, as the result of an affair with a married woman, to whom I propose to leave my estate. Should I make a statutory declaration of paternity? Should I specifically exclude my siblings from benefiting?

We see no reason to make statutory declarations, but it may be prudent to state in the will both that the beneficiary is your daughter and that you have deliberately excluded your brothers and sisters because of your quarrel. You should be guided by your solicitor.

Valuation of a farm

When a farm is worked by the widowed owner and his son, in partnership, both in residence, with a daughter who is to be made financially equal on the death of the father to the benefit of the daughter; how should the farm be valued for probate? No rent is paid by the brother for house or out-buildings, but rent is paid between father and son for land each owns.

Normally the valuation would be as with vacant possession, but this will depend on the precise terms of the agreement or other arrangement under which the parties' rights are regulated. If the arrangement is only now being formulated it would be wise to consult a solicitor.

A neighbour's ditch

My house and my neighbour's are divided by my neighbour's hedge and ditch. Thirty years ago, by agreement, I was allowed at my own expense to pipe the ditch, and fill it in, to facilitate the keeping clean of the land, and trimming the hedge on my side. Is the ditch, after 30 years now part of my land, and the hedge alone the boundary line, or can the new occupant demand the ditch to be returned to its former state, and both be the boundary line, especially if it is (the ditch) mentioned in his deeds?

We think that the boundary line would remain unaltered—although it may well be that there is now no clear evidence of where that line is, since the deeds are likely to have no clear statement as to the precise boundary. However you would be entitled to require the ditch to remain filled in under the equitable doctrine of estoppel.

Protrusion into space

Referring to the item headed, Title to a strip of land (August 30) your legal staff say, "He would have to show that he has occupied the 6 in. strip . . . in such a manner as to exclude you from using it."

Would not the protruding stretcher bolts indicate that such had not occurred — that the neighbour had not exclusive use of the referred to strip?

We do not think that a conclusion such as you suggest can be drawn from the protrusion into air-space alone. Each case requires a full investigation of all the facts; as the Courts have made a number of decisions *which require careful analysis* to resolve how the law should be applied.

Trees on a grass verge

One side of my property is parallel to a main road. The road has a grass verge, then a ditch and then a bank, formed from the soil of the ditch. Between the ditch and the bank are three dead elm trees and I have now received an urgent request from the District Council to remove them.

It had never occurred to me that the trees were on my property. Do I have to comply?

While difficult questions can arise where a tree grows in a highway, as it may be rooted partly in the highway and partly in the subsoil belonging to the adjoining owner, it is likely that the bank to which you refer is entirely in your ownership and hence that responsibility for the trees is wholly yours. If in doubt consult a solicitor.

Boundary lines & neighbours shrubs

Referring to your reply under "Title to a strip of land" (August 30), the shrubs in my neighbour's garden have spread over to my side of our boundary. I am on very good terms with my neighbour and should like to know what is the minimum I should do to preserve my ownership of this strip. Could I mark the boundary by, for example, lengths of timber sunk into the ground?

Any form of demarcating the boundary would suffice so long as your neighbour does not cultivate on your side of it. Otherwise you would need a written acknowledgment from your neighbour of where the boundary lies, and you would need to have this confirmed within 12 years and periodically thereafter, say every 11 years.

Joint owners of a house

I and a young woman with whom I have lived for some years are joint owners of a house. We have agreed to separate and I should like to hand over my interest in the house to my companion. Both of us have substantial pay rises pending and she earns more than I do. However, our joint incomes were taken into account on our present mortgage and I would not like to jeopardise either my companion's rights to retain the house as sole owner or my chances of being able to buy a house for myself, free of any liability under the joint ownership. What course of action, please, do you advise?

We think that you would be wise to consult a solicitor. Much may depend on the precise form in which your present house was conveyed or transferred to you both, and in which the mortgage is formulated. If there is an increase in your co-owner's income since the mortgage was entered into she may well be acceptable now as sole mortgagor—especially if payments have been made regularly to date.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

A service tenancy

My wife has inherited her parents' home where we currently live, which includes an unfurnished staff cottage in the grounds. This cottage has been occupied for the past nineteen years by a married couple on a verbal agreement entered into between the husband and my late father-in-law whereby the husband, in exchange for unpaid help with the property occupies the cottage with his wife free of all rent and rates. His wife assists with domestic work in the house for which she receives payment.

Should we ever need to obtain possession of the cottage, how do we stand with regard to getting the tenants to quit? As neither my wife nor her brother have yet negotiated a continuancy of the tenancy following their father's death, should they now do so? Is there any fear that, in view of the length of their occupancy, the existing tenants can claim some form of squatter's rights?

Provided that the arrangement which you describe can be shown, by evidence, to have been in that form; and so long as there has been no quantification of the services rendered by the gardener/helper in money terms there will either have been a true licence or a tenancy at no "rent," as rent is construed for the purposes of the Rent Act 1977. Accordingly you can require the occupiers to quit. You may negotiate a fresh licence or lease and record it in writing; but again there must be no rent, or quantification of services in money terms. Unless the terms of the original arrangement are disputed by the occupiers, there would be no case for their claiming a title through adverse possession ("squatters rights").

Income of a missing person

In April 1973 we purchased a plot of land in the joint names of my wife, son and myself as tenants in common, ownership passing automatically to the survivors in the event of the death of any one. My son, who was then aged 19, was unable to contribute to the purchase price and it was arranged that his share should be deducted from his subsequent income over a period of time. The plot has now been developed into a small industrial estate which is producing a substantial annual income. In January 1977 our son disappeared and we can only suppose he is dead. The Inspector of Taxes until this year has done nothing about my son's income. However he has now decided to tax me on my son's share of the rental income over the last three years at the higher rate tax and investment income surcharge. My accountant has been conducting a lengthy correspondence with the Inspector, maintaining that this income should be assessed separately on me as agent for my son, but he now feels that the result may not be worth the battle. What is your opinion of the Inspector's stand?

The first point to be clear upon is whether the land was conveyed to the three of you as tenants in common or as joint tenants. If the title to the land is indeed a tenancy in common, and if we are right in assuming that the land is in England (or Wales), then you are mistaken in saying that beneficial ownership passes automatically by survivorship: this only happens in the case of a joint tenancy (unsevered). We suggest that you consult the solicitor who acted for you in April 1973—or some other conveniently placed solicitor—because you will undoubtedly require legal guidance in the long-run, and a stitch of advice at this time may save two or three later.

The inspector's contention is presumably either (i) that beneficial ownership has already passed from your son to you and your wife or (ii) that the original transaction was a sham which did not give your son any beneficial interest *ab initio*. Neither contention should be allowed to stand by default, so you could ask your accountant to tell the inspector that you are taking legal advice on the matters under appeal and that he may hear direct from your solicitor in due course. The amounts involved appear to justify the expense of two professional advisers, at least for the time being.

A seminal judgment

TAXATION

DAVID WAINMAN

Lord Denning

The last, brave word

EVERYONE KNOWS a few "leading cases"—those seminal judgments in which the courts achieve more than a mere clarification of the law. Sometimes they develop and expand the law into new directions. Other cases achieve a rationalisation of whole areas of law which have previously seemed inconsistent and anomalous.

Some of these cases stick in the memory for no better reason than their unforgettable names: the duel fought by Mrs. Carhill against the Carbolic Smoke Ball Company being the inevitable example.

Others are remembered for controversatility at the time, and dare one say it, the courage and panache of the judge. Lord Denning's name is associated with many of these—perhaps none more so than the High Trees House case.

In the tax field there are a number of cases which can be described as "leading." The list favoured by the Inland Revenue does *not* coincide in all its particulars with that which taxpayers and their advisers might suggest, but it is likely that *Hochstrasser v. Mayes* would figure on each list.

It was that case in 1959 that defined the principles upon which one decides what are, and what are not, earnings from an employment. Mr. Mayes was an employee of Imperial Chemical Industries. Between 1951 and 1954 he was employed at their Hillhouse Works in Lancashire, and had bought himself a house in Fleetwood at a cost of £1,850.

In 1954, ICI moved him to its Wilton Works in Yorkshire and he therefore had to sell his house. The company had recognised that many of its employees would need to move from time to time, and that they could on occasion have difficulty in selling their houses satisfactorily—and might even suffer loss in doing so.

To save its employees both worry and possible financial loss, ICI had offered to all its employees a "housing agreement." It undertook to indemnify them against loss on sale of houses, although to obtain this benefit the employee had to undertake to keep his house in proper repair, not to let it, and to allow the company first option to buy it (at its open market value).

Mr. Mayes sustained a loss of £350 on the sale of his house at Fleetwood, and the company made this sum good to him. Mr. Hochstrasser, his kind and helpful Inspector of Taxes, suggested that Mr. Mayes might like to pay tax on this sum: it had been received from his employer and there was therefore an implication that it was part of his earnings.

Then as now, the phraseology of Schedule E required that Mr. Mayes should, by virtue of his employment, be taxable "in respect of all salaries, fees, wages, perquisites or profits whatsoever therefrom." In addition, if he were a director or employee earning more than £8,500 per annum, the authorities would now under the 1976 Finance Act also look for tax on any "sums paid in respect of expenses," and not only on certain specified bonanzas but also on "any other benefits or facilities of whatsoever nature. . . ."

In the 1976 legislation there is a provision that "deems" any payment made or benefit provided by an employer to his employee to have been made "by reason of his employment." and this wording is all that is needed to ensure that he is taxable on it.

But the Income Tax Act, 1952 under which Mr. Hochstrasser attacked Mr. Mayes, and its present counterpart consolidated in the Taxes Act 1970, charge the holder of an employment only on his earnings "therefrom." The arguments which were presented in turn to the General Commissioners, the High Court, Court of Appeal and House of Lords centred on the interpretation of this one, vital, word.

It had long been recognised that there were two excepted classes of non-taxable receipts by an employee from his employer. In one were gifts to the employee in his personal capacity, for instance out of affection or pity. The other class was receipts for "consideration" other than the giving of services, for instance the sale of an employee's car to his employer.

The Revenue argued that Mr. Mayes did not receive his £350 in the second category above, because he had not been required by the terms of the housing agreement to give the company anything in exchange. Second, they argued that since Mr. Mayes would not have got his £350 unless he had been an employee, that of itself showed that it was taxable as earnings.

The House of Lords unanimously dismissed both contentions. Lord Simonds refused to be drawn into discussing whether employer's and employees' "consideration" given and received under the housing agreement were exactly equal. "It was a bargain, and as good bargains should be, thought by each side to be worth while."

The £350 flowed from the agreement not the employment. "Abandoning the vernacular," Lord Simonds and others of this brethren described the employment as "the *causa sine qua non* but not the *causa causans*."

Mr. Mayes escaped tax on his £350. It could not be described as paid "in reference to the services the employee renders by virtue of his office, and . . . something in the nature of a reward for services past, present or future."

And it was Lord Denning, sitting at that time in the House of Lords, who had the last, brave, dashing, word: "My Lords, tried by the touchstone of common sense—which is perhaps a rash test to take in a revenue matter—I regard this as a plain case . . . it was not a remuneration or reward or return for his services in any sense of the word. I would therefore dismiss this appeal.

When the roof falls in

INSURANCE

JOHN PHILIP

AS PRIVATE citizens paying bill for repairs to our homes and cars, paying bills for other goods and services, we are now all accustomed to the fact that the Customs and Excise take 15 per cent VAT on what we would otherwise be paying. But very few of us, I think, know which goods and services attract VAT, which are VAT free and even fewer can explain why.

When we claim for damage repairs, under our personal household or car policies, our insurers have to pay whatever VAT is due, as part of the indemnity they provide. So insurers have a considerable financial interest in knowing precisely when and where VAT is payable.

VAT was first imposed by the 1972 Finance Act, and all the detailed rules stem from that statute. Ten days ago three judges in the Court of Appeal had to consider the precise meaning of some of the words used in that Act, in a dispute about whether VAT was payable on work of underpinning a house affected by subsidence.

Only £1,072 was at issue in the dispute, but the Court of Appeal's ruling in *A.C.T. Construction Ltd. v Customs and Excise Commissioners* must save householders and therefore their insurers some millions of pounds.

Subsidence can be remedied by underpinning and A.C.T. Construction is a company specialising in this kind of work. In October, 1977 it quoted £7,271 as the price for underpinning a house by the construction of a new concrete beam, having taken advice that this work should be zero-rated for VAT purposes. But the Customs and Excise disagreed, and took the contractors before the VAT tribunal, where they were assessed for £1,072 VAT. The contractors appealed to the High Court, and in March last year Mr. Justice Drake ruled against the Customs and Excise.

Last week the Court of Appeal unanimously upheld the Drake Judgment. The three appeal judges had to decide whether underpinning was "work of repair or maintenance." If they had answered "yes," then underpinning would have attracted VAT, but as they answered "no"—and incidentally, refused leave to appeal to the House of Lords—underpinning is zero-rated and does not attract VAT.

In his judgment, Lord Denning said it is essential that contractors knew where they stand—it would be intolerable if one VAT tribunal could decide that underpinning is maintenance and another VAT tribunal could decide otherwise. So a definite ruling was necessary.

And he asked what the ordinary reasonable man would say about £7,000 worth of underpinning: would he regard this as maintenance? In Lord Denning's view he would answer "Certainly not. I know what repair is if a window is broken. I know what "maintain" is—it is to keep in good order." The case must be decided according to the ordinary meaning which ordinary men would give the words.

The other judges also spoke on this theme. Lord Justice Brandon reckoned that if rusted metal gutters were replaced by plastic gutters, "in the ordinary and natural meaning of the word," this replacement, a structural alteration, was not maintenance "in the ordinary accepted sense of the word."

The latter went on to say that, generally speaking, the word maintenance involved both an element of repetition and a degree of foreseeability in its ordinary meaning maintenance involves work of a minor significance, not of substantial addition. Maintenance does not involve making a building better than when it was constructed.

So on the subsidence front insurers now have some offset against the continuing inflationary rise in claims costs—but the saving that they will make on many underpinning claims will not bring any consequential reduction in home building rates. The saving will however help to balance their books.

YOUR SAVINGS AND INVESTMENTS—1

Tim Dickson discusses the mixed reaction to the fight for the elderly's savings.

Abbey sets out to capture the grannies

ELDERLY savers are suddenly very much in demand. Following the Government's decision to launch a new "granny bond" for the over 60s, Abbey National Building Society is now busy spearheading the private sector's counter attack. Brushing aside criticism from competitors the Abbey this week launched a new Sixty Plus Bondshare which will pay anyone aged 60 or over a guaranteed 3 points above building society ordinary share rate—provided they leave their capital untouched for six years. The rate, currently 13.5 per cent net of basic rate tax (equivalent to 19.29 per cent gross) represents one of the most attractive returns ever offered on a building society term share.

Before investors rush out to buy, however, they should take a careful look at the small print. Billed unequivocally as the "Abbey National's Own Granny Bond," the promoters clearly suggest that Sixty Plus Bondshares are a straightforward substitute for the National Savings Second Index-linked issue. The two, in fact, bear no more than a passing resemblance: they are aimed at the same market and the maximum holding in each case is £3,000 but that is just about where the similarity ends.

Take the Second Index-linked issue, which goes on sale to men and women aged 60 and over from Monday, November 17. These new certificates will operate much like the well known Retirement issue, which is to be withdrawn two days before that. They may be held for up to five years and the return will be linked directly to monthly changes in the rate of inflation as measured by the Retail Prices Index (RPI). Under this method of computation investors receive no income as such but benefit from regular revaluations of their capital which they can cash in at any time.

The carrot for staying the full course, however, is not clearly defined. According to the prospectus "the Treasury may pay an additional amount over and above the RPI-linked increase if they consider it appropriate to do so." Holders of retirement certificates receive a straight 4 per cent bonus on their original investment at the end of five years.

Abbey National's Sixty Plus Bondshares meanwhile is not index linked. The return is tied to the building society ordinary share rate, which is set by the Building Societies Association but influenced strongly by the level of interest rates generally. Mrs. Thatcher's apparent determination to squeeze inflation back to single figures lends weight to the Abbey National's claim that its Sixty Plus Bondshares are a genuine alternative to the Second Index linked issue. Experience in recent years, on the other hand, suggests that even a return three points above the building society ordinary share rate has seldom been sufficient to match inflation.

Besides the spurious "granny bond" label, potential investors should also note the following points.

Early cash in. If holders break into the Abbey Bondshares before six years are up, they lose the entire 3 point bonus. Interest will be recalculated over the term completed at the ordinary share rate—subsequent interest, and if necessary, the original capital will be adjusted to compensate.

Holders of the Government's new "granny bond" receive no more than the face value if they cash in during the first year. But thereafter there is no penalty for early surrender, besides loss of entitlement to the Treasury's discretionary bonus.

Taxation. Income on Sixty Plus Bondshares is paid net of basic rate tax, which cannot be reclaimed from the Inland Revenue. Those on higher tax bands have to pay the difference, others may be liable to the investment income surcharge. The second index-linked issue is completely free of all taxes, making it particularly attractive to anyone paying higher rates of tax.

Death. Sixty Plus Bondshares accounts have to be closed "as quickly as is convenient" if a holder dies. The rate of interest received by the estate is still three points above the ordinary share rate. The terms on death for holders of the Second Index-linked issues are identical to those on the Retirement Issue. Certificates have to be cashed in within 12 months if the beneficiary is under 60 (index linking, however, still applies) but can be reregistered in the name of another qualifying individual.

Ashley Ashwood

Mr. Cleve Thornton, Chief General Manager of the Abbey National.

The reaction of other building societies, which have missed out on the Abbey's publicity, can be partly put down to envy. Some claim, however, that Sixty Plus Bondshares are simply fighting, Canute-like, against the tide of Government competition. If the new "granny bonds" do not pull in the £1.5bn anticipated by the Treasury, the age limit, so the theory goes, will be reduced.

Abbey National is commendably adopting a less complacent approach but savers should be quite sure what they are letting themselves in for before committing their cash.

What will they think of next? Hot on the heels of the Abbey National's plan for a building society lottery, the Leicester Building Society this week announced a £25,000 "Nest Egg" contest. Aimed at housewives the competition has a top prize of a £10,000 five-year savings bond with the Leicester donated by a North of England egg farmer co-operative. "The competition will be promoted on 24m egg boxes and at 70,000 point-of-sale units in stores operated by six major supermarket groups," says the Press release. Over to you, Ernie.

North Americans fight for the soul of the 'great unbanked'

BANKING
ALAN FRIEDMAN

THIS WEEK the battle for the hearts and minds of Britain's "great unbanked" population entered a new phase as the Royal Bank of Canada unveiled an ambitious array of retail banking services and announced plans to establish 100 branches of its Western Trust subsidiary within the next five years.

Mr. Mike Priestland, managing director of the Plymouth-based Western Trust and Savings group, said that as a result of market research during the past two years he was convinced of the need for new personal financial services in the UK. Among the reasons for this he cited the "rather strange" fact that "only half of the adult population of Britain has a bank account."

He also claimed that by offering more convenient banking hours and interest payments on current accounts Western Trust hoped to woo dissatisfied clearing bank customers.

Western Trust now has 18 branches and plans to open six more in the first half of 1981. The bank also intends to offer its range of banking services through the post.

The expansion plans this week come in the wake of a recent announcement by Citibank of New York that it is stepping up its attack on the British retail banking market. Citibank says it will bring forward the opening of 41 High Street savings branches by two years to the middle of 1981.

Citibank also plans to operate a national network of "Citibank Savings" outlets designed to lure funds from the big clearing banks and building societies. The goal is to establish a network of 100 by 1983. One of Citibank's main attractions is its new "Tandem Account" which pays customers 13 per cent interest on a modified current account and lets them borrow up to 30 times the value of monthly subscriptions.

Mr. Priestland at Western Trust claims that "the difference between us and Citibank is that they are concentrating on savings and loan facilities while we are talking about a wider range of services including current accounts."

Western Trust plans to offer the following services:

- Two new current accounts called "Chequeplan." One version charges 10p for every debit entry and pays 2½ per cent interest on the credit balance; the other charges 30p for each debit entry and pays a current rate of 13 per cent interest.
- The "One plus Two" account. This provides a cheque-book and other current account services and includes a savings and loan arrangement based on a mutually agreed personal credit limit.
- Standard deposit accounts with variable interest payment schedules.
- Mortgages from £6,000 to £25,000.

Western Trust says many of its services are designed to attract "blue collar" clients who are paid on a weekly basis. Around half the bank's 110,000 customers were previously "unbanked" in as much as they did not have a current account, according to Mr. Priestland. The bank states that its target audience is among the B, C and D socio-economic groupings.

The main impetus for Western Trust's expansion has come from a two-year £250,000 nationwide survey when members of the public were asked if they had a bank account, and if not, why not. The bank claims its survey revealed that at least a third of Britain's households are unhappy in one way or another with the financial services currently available.

Lord Hardinge, a vice-president of the Royal Bank of Canada, noted this week that there were already indications of some change at the clearing banks. "Clearing banks often have a rather conservative approach," he said.

Last year Western Trust showed pre-tax profits of £2m. The bank said that it anticipated re-investing this money in the expansion programme and would receive additional funds from the Royal Bank of Canada.

The expansion by Western Trust not only follows earlier plans from Citibank, but comes just a few days after Avco Trust —yet another North American group—opened its first retail bank in Sunderland Tyne and Wear. Avco which is known primarily as a finance house, is offering a series of services including current accounts with 5 per cent interest payments and fixed-term, fixed-interest deposit plans.

Avco also announced its intention to open from 9 to 5 each weekday and from 9 to 12.30 on Saturdays. Western's hours will be 9.15 to 5.30 weekdays and 9.15 to 4 on Saturdays.

Although the various new banking groups are claiming that each of its services is unique, a common thread runs through their schemes. All appear to be keen to attract part of their deposit money by offering a kind of "save and borrow" programme in which some interest is to be paid on credit balances and loans are to be easily accessible.

The approach of many North American retail bankers is to design an informal kind of bank branch, often in the High Street or in areas of commercial concentration. Mr. Priestland of Western Trust stresses the importance of banks being "comfortable and pleasant places" rather than resembling "fortresses, main line railway stations or morgues."

Finally, all the new entrants cite evidence of dissatisfaction with major clearing banks and a desire to attract the near-50 per cent of British citizens who do not engage in regular banking. The continuing "invasion" by North American bankers may or may not succeed, but from a consumer's point of view, the more in battle, the merrier.

Charges changes

UNIT TRUSTS
TIM DICKSON

UNITHOLDERS, it appears, are easier to predict than Labour MPs. As Messrs. Healey, Shore, Silkin, etc., furiously scratch around for extra votes, unit trust groups attempting to push through higher management charges could be excused for taking a more relaxed approach.

This week, for example, 80,000 unit trust investors dutifully approved a new scale of charges for 16 out of 17 Allied Hambro authorised funds. Barely a voice was raised in protest and a clean sweep was only averted when one meeting was declared inquorate.

Allied Hambro attracted attention largely because it took the bull by the horns. Following last December's decontrol of management charges some groups have clearly been nervous about asking for more than the old maximium of ½ per cent annually on the size of the fund. Confident of the merits of their case, however, Mr. Mark St. Giles and his fellow directors decided to dispense with the business in a two day burst. As a result 17 special meeting were called for Tuesday and Wednesday (16 took place), at which unitholders were invited either to turn up in person or vote through the post by proxy.

The issue essentially was about whether investors were prepared to grant the managers an increase in their annual management charge from ½ to ¾ per cent, an increase worth something in the region of an extra £100,000 to the income account.

As things turned out, hardly a soul turned up. The majority (in most cases well over 80 per cent of those voting) said "yea" through the post but those present were mostly either directors, trustee representatives, solicitors or hopeful journalists.

A couple of unitholders commended the managers on their performance and a man whose opposition had been made clear in advance was unlucky enough to be interested only in the adjourned proceedings. The only small bit of excitement came with the vote on the Allied Hambro International Fund. A three to one majority was required but in view of the close result a recount was ordered before it could be confirmed.

Allied Hambro has one of the better overall performance records of the past few years but like most of its competitors it still has one or two "dogs." Unitholders should judge the argument about increased costs against the background of their fund's success.

IN BRIEF

Hallmark pointers

MIXED NEWS for the potential investor in gold and silver goods emerged this week from the Assay Offices in London, Birmingham, Sheffield and Edinburgh.

Since January, 1975, it has been illegal in this country to sell or offer for sale gold, silver or platinum goods which have not been "assayed." Assaying means that a sample is usually taken of an unfinished product. The quantity of the precious metal content is assessed and if the required standard is reached, it is marked with the official hallmark.

Clearly the choice available to customers in the coming months is going to become more restricted for there are signs that retailers, faced with rising interest charges, are running down their stocks. As the figures from the assay offices indicate, the flow of newly manufactured goods is slowing down.

In the first nine months of 1980 the value of gold, silver and platinum articles hallmarked was virtually half that of the previous year.

On a brighter note, manufacturers' decisions to produce smaller individual articles should provide modest investors (and poverty-stricken fiancees perhaps) with better opportunities.

The choice and amount of platinum goods in the shops will substantially increase in the coming months, with hallmarking of platinum articles up by a healthy 140 per cent.

Rosemary Burr

Risk and reward

STOCKBROKERS Quilter Hilton Goodison and Heinold Commodities, a large U.S. commodity broker, have teamed up to launch a new open-end Bermuda-based fund Resource Fund International. The new company will trade in a wide range of future and forward commodity contracts, currencies and financial instruments in the U.S. and London. Quilter, which says it receives an increasing number of enquiries about commodities, is recommending the fund to its clients with the warning that not more than 5-10 per cent of available funds should be committed to this type of investment.

Those interested should take particular note of the charging arrangements. Quilter, for example, will take a 3 per cent commission on new shares in the company which will be offered initially at $1,000 (plus 3 per cent) and thereafter at net asset value (plus 3 per cent). Shares may be redeemed at 99 per cent of net asset value (95 per cent if held for less than a year), the balance being left in the company.

The trading managers Millburn Partners of New York will receive a regular ½ per cent of the fund's assets per month (put another way 6 per cent per annum). On top of this they will be paid an "incentive fee" amounting to 20 per cent of new appreciation at the end of each month. The company reassures investors that if the asset value of the fund falls no new "appreciation fee" is payable until the previous high has again been reached.

Heinhold, meanwhile, will get its reward from dealing for the fund (i.e. through commission).

In spite of the sponsors' claim that the fund will be managed "conservatively," there is little doubt that this is a "high risk, high reward" investment.

T.D.

Loan-back facility

SMALL COMPANIES no longer need to go through the complex procedure of setting up small self-administered pension schemes with a pensioneer trustee (a term coined by the Inland Revenue for an outside trustee appointed by its Superannuation Funds Office).

Self-administered schemes have been very much in vogue recently because they allow companies to borrow up to 50 per cent of the fund's assets.

Now National Employers Life has established a loan back facility on executive pension schemes without having to establish a trust board with a "pensioneer trustee."

The NEL solution, which has the full approval of the Superannuation Funds Office, is quite simple. The life company lends up to 50 per cent of the pension scheme assets to the parent company— not the pension fund. This still remains invested in one of the funds available.

The interest rate charged by NEL is particularly favourable —1 per cent above building society recommended lending rate of 16 per cent. The loan is secured as a floating charge on the parent company assets.

The loan has to be repaid in five annual instalments in the five years before the first retirement of the pension scheme members.

Eric Short

YOUR SAVINGS AND INVESTMENTS—2

Mr. James Callaghan, Leader of the Opposition, will shortly join Sir Harold Wilson and Mr. Edward Heath as recipients of an ex-Prime Minister's pension. He can expect to boost this income from writing, lecturing, broadcasting and even joining the board of a public company. For the moment, however, he cannot expect much from his farm which if anything, makes a small loss.



What an ex-PM is worth

Retired prime ministers are a rare but generally happy breed. Free from the responsibilities of power they can shoot grouse, mess about in boats or even *investigate the workings of the City*. Like anyone who leaves a well paid job, however, they presumably have their financial worries. Next month, Mr. James Callaghan, now in his last days as Labour Party leader, officially becomes a retired prime minister. The moment his successor is elected, Mr. Callaghan will join that elite band of former inmates of No. 10 entitled to receive a regular pension for his past work.

LIKE many people new to retirement Mr. Callaghan may discover that, although still an MP, his overall remuneration (perks, personal retinue etc. included) shows a substantial drop. On the other hand, the opportunities for a man who has been a politician on the world stage are tremendous.

Bearing in mind his possible initial hardships, the Financial Times felt it appropriate to offer the following guide to Mr. Callaghan's rights and in addition make a few suggestions about how he can keep himself busy and supplement his income with a few "odd jobs."

First the pension. As leader of the Opposition, Mr. Callaghan currently earns £20,950 plus an extra £6,930 per annum—the "abated" MP's salary for those who hold office. When he steps down from his present post he will continue to draw the "*abated*" *MP's salary and* will start drawing an ex-PM's pension of £8,976. This figure is based on 15/40ths of the salary he was getting when he left Downing Street in May 1979, though it has since been adjusted to take account of last November's 8.8 per cent all-round increase in state pensions. Mr. Callaghan will benefit from a further uprating (by 16.5 per cent) when the Social Services Secretary announces this year's increment at the end of next month.

Even with the help of this immediate boost, Mr. Callaghan will be receiving less than his predecessors at No. 10, Sir Harold Wilson and Mr. Edward Heath because he will be starting from scratch. Both were earning £20,000 from the top job when they respectively voluntarily and involuntarily retired. This entitled them to a starting pension of £7,500 which in both cases has been uprated through regular increases to a current £12,975 a year. Under the 1972 Parliamentary and Other Pensions Act no ex-prime minister can receive more than the notional amount due at any time to the incumbent. In other words Mrs. Thatcher's present salary gives her the right if made redundant (and, who *knows, the recession is not just* hitting blue collar jobs) to an annual £12,975. Aggrieved as the elder statesmen may feel, they are not allowed more than their sister in Downing Street.

If the Callaghans do initially feel the pinch, they should at least be able to draw upon a little nest egg which the former Prime Minister received on leaving No. 10 eighteen months ago. All MPs—and the member for Cardiff South East was no exception—are required to pay a percentage of their salaries (currently 6 per cent) into the Parliamentary Pension Fund.

Prime ministers, however, have their own arrangements (as described) and all existing contributions are frozen from the moment they take office. Interest accrues on each contribution separately at a rate of 4 per cent per annum and the total is repaid in a lump sum the moment they leave Downing Street.

Tax is payable on this sum at the special rate of 10 per cent. The size of Mr. Callaghan's little nest egg—assuming he hasn't already spent it—is officially a "private matter." We can only assume that if substantial, he has chosen wisely between the various investment alternatives. Being comfortably over 60, he *easily qualifies for the Government's* "granny bonds" and we would strongly urge him to take up his full entitlement (see opposite page).

In spite of Mr. Callaghan's commitment to fight unemployment from the back benches, it would be surprising if he does not find the pen mightier (and potentially more profitable) than the verbal sword. He has not, like former Cabinet colleagues, kept diaries of day-to-day events but already publishers are queueing up to commission his memoirs.

Offers have apparently been made but no contract has yet been signed. The exact financial reward for political autobiographies is a secret jealously guarded by publishers and authors alike.

Figures relating to Sir Harold Wilson's three books since his resignation (*The Governance of Britain, A Prime Minister on Prime Ministers*, and *Final Term: the Labour Government 1974-1976*) have been bandied about but a certain former Cabinet Minister whose memoirs have recently been published is understood to have been given an advance not far from £10,000.

machine 43 ——8 on 8½ ——

Company directorships, which traditionally are given up by MPs who hold office, are a further potential source of money for Mr. Callaghan. Sir Harold has no interests in this field while Mr. Heath's are confined to his own private publishing company Dumpton Gap. The latter, incidentally, is a member of Lloyds. Mr. Callaghan was a director of the Commercial Bank of Wales before he became Prime Minister.

Lecturing, writing newspaper articles and appearing on television are other well paid occupations which are popular with ex-prime ministers.

Mr. Callaghan, however, cannot at the moment expect to receive much income from his 125-acre farm. "If anything," says a close friend, "it probably makes a small loss."

Much of the work of a retired prime minister, however, goes unrewarded. Mr. Heath, for example, is a leading member of the Brandt Commission, and a member of the Public Review Board of accountants Arthur Andersen. Sir Harold's Investigation of the City has recently attracted plenty of attention while other parts of his timetable are spent chairing the Interim Committe of the Film Industry. He is paid for neither. It is felt that Mr. Callaghan's wide experience of international and domestic affairs provide the ideal qualifications for a number of similar responsibilities.

Tim Dickson

Why payment may come 2nd class

DIVIDENDS

IAN RODGER

NEXT TIME you receive a dividend cheque in the mail, check the stamp and the date of posting.

More and more companies are switching to second class post as an economy measure and, for big companies such as ICI with about 500,000 shareholders, the 2p difference can be substantial.

The second class delivery may also result in the shareholders receiving payment later than the date promised by the company.

In the current period of high interest rates, shareholders may be tempted to conclude that some companies are deliberately trying to delay dividend payment in order to conserve cash or reduce borrowings.

But this is vigorously denied by major registrars, who say they would be delighted if every shareholder would take his dividends by way of a punctual direct deposit to a bank account, the so-called mandated dividend.

"It is cheaper for the company, easier for the registrar and more dependable for the shareholder," Mr. B P. Mould, registrar of ICI, said.

Registrars say that about 40 to 60 per cent of shareholders now receive their dividends in bank accounts but they are pessimistic about raising this proportion.

"There is a hard core of people, it seems, who still want to receive the cheque," Mr. Cyril Ring, administration manager for Lloyds Bank's registrar service, said. "It is mainly new shareholders coming on the rolls," he added. "Lloyds provides a registrar service for approximately 350 companies and Mr. Ring said about 40 per cent of the payouts are in the form of mandated dividends and most of the rest by first class post.

Opting for first class post has its dangers too.

"Shareholders occasionally write to complain that we are wasting the company's money, if we use first class," said Mr. Robert Brooks, sub-manager in charge of dividends for National Westminster Bank's registrar service. The use of second class post among the bank's 350 client companies has increased over the last two years but about 40 per cent of payments are direct to bank accounts, he said.

Regardless of the form of delivery, the registrars do their best to make sure that shareholders get their dividends on time.

If the company orders delivery by first class mail, letters are sent out on the day before the payment date. If second class is specified, cheques will be sent out two or three days in advance. Bulk cheques covering mandated dividends are sent to shareholders' banks several days in advance to enable the banks to sort and deposit them.

Mr. Brooks said there is a very small percentage of companies that instruct the registrars to post cheques on the payout date. However, several companies insist that funds for the final dividend be released only after approval by the AGM, which can result in inequalities of distribution. While second class post would be slower than first class, direct bank deposits take the longest to deliver.

Registrars sometimes suggest to companies that the payout date for the final dividend be set about 10 days after the AGM so that the distribution is more equitable. Another way round the problem is to send out the mandates to the banks in advance and the cancel them if necessary.

"I've never yet come across a meeting throwing a dividend out," Mr. Brook said.

Probably the largest payer of dividends in the country is the Bank of England. Mr. George Morgan, chief accountant at the bank, said about 46 per cent of warrants for stock dividends are sent directly to bank accounts and the remainder by first class post.

Mr. Morgan said the bank continually examines the possibility of shifting to second class post but worries that stockholders in some areas would receive their warrants in advance of the payment date and attempt to cash them prematurely.

"Some areas of the country are more difficult than others (in terms of quality of postal service). If a stockholder complains, we suggest he goes over to bank deposit."

Life and health insurance tailored for the woman

LIFE ASSURANCE

ERIC SHORT

LANGHAM LIFE, a small life company associated with the dominant personality of its marketing director, Mrs. Dorothy Genn, has so far been synonomous with life and health insurance for women. Following this week's suspension from executive duties of Mrs Genn and her husband Lionel, this emphasis could now change.

Although there has never been any obvious sex discrimination in selling life assurance or savings plans, there has not been much effort made to design comprehensive plans solely for women. The general attitude has been that life policies are unisex—suitable for either men or women—with women in general paying the same premium as a man four years younger.

Mrs. Genn had different ideas when she entered life assurance marketing, launching in 1975 the WISP policy designed specifically to meet the insurance and savings needs of women.

The policy initially provides both life protection on a non-profit basis, together with savings into units of the WISP managed fund. The regular premiums are split accordingly. On marriage, the woman can transfer the life cover to her husband, without medical health, but retains the savings element. This accepts that on marriage the husband generally becomes the main breadwinner, but the wife needs some financial independence with her own nest egg.

If the marriage break up the life cover reverts to the women and a similar procedure applies on a second marriage. At age 60 the woman can use her accumulated savings to buy a pension.

The policy has the usual waiver of premium benefit in that no premiums are paid after six months disability. But Dorothy Genn persuaded the underwriters to throw out their Victorian notions and allow pregnancy related disabilities, such as thrombosis, to be included in the cover.

At the time, it looked a complete policy meeting the protection and savings needs of women. It probably needs to be revised in detail, given the product developments that have taken place since then, especially in the design of whole life contracts. But it should have appeal to women and the company certainly made great marketing efforts. It cannot be said to have met with any great success.

At the end of last year, Langham's funds totalled just over £10m and there were 35,000 policies on the books of which about 10,000 were WISP policies. Not the fruits of success.

This could appear to be the feeling of the rest of the Langham board. The company took on Duncan Lawrence, who was life manager of Minster Insurance until that company stopped writing new life business earlier this year. Minster was very active in the mortgage related field with emphasis on first mortgages in conjunction with building societies. Duncan Lawrence, it is understood, has been urging Langham to take the opportunity to expand into this field, filling the void left by Minster.

The Genns apparently are not convinced of the prospects for this expansion. A meeting has been scheduled for next month to consider the situation.

Until recently Langham has sold its products through insurance brokers, and if they are not convinced of the need for the WISP policy, then they are not likely to sell.

A different approach is now being tried by the Automobile Association Insurance Services, which last week launched two new life policies aimed solely at women. The AA did some market research and found that women did not like unit linking and wanted a savings policy whose value was not volatile. It also found that women did not like a pure protection policy. If they survived the cover period they wanted at least their money back.

So the AA linked up with Guardian Royal Exchange to produce the AA Womanwise policy. This is simply a with-profits endowment policy to age 60, with family income benefits added.

The other policy is the AA Ten-Year Supersavers—GRE's 10 year with-profit contract where the premiums rise by 7 per cent each year.

LEISURE

Two new talents to watch

GOLF

ROGER PAUL

THE TOWERING talents of two players dominated the World Amateur Team Championships at Pinehurst, North Carolina, last week.

The championship is really a misnomer. It is effectively the U.S.A. v. The Rest and in 12 starts the favourites have won eight times. They did so again at Pinehurst with a 12-round total that was 16 under par.

But of those 16 strokes, 12 were contributed by a classically handsome, blue-eyed, blond-haired 22-year-old golfer from Shreveport, Louisiana. His name is Hal Sutton and he is, in the full sense of that overworked word, sensational.

In fact he is doubly sensational. He is so good that a number of judges would rank him in the top half dozen amateurs in the world. But he is also so rich that he has no intention of turning professional, which, in a money-mad society like America, is to say the least, highly unusual.

Hal Sutton works for his father, Howard, who owns quite a lot of the oil in Louisiana. He spends his mornings arranging long and complicated oil deals "with Merrill Lynch and people like that" and in the afternoon he goes out and practises, or plays, golf.

He has become so good that he won the individual section at Pinehurst with 276; the U.S. amateur championship, with its 4,000-plus entrants, by 9 and 8, and of the other five tournaments in which he played in 1980, he won four and came second once.

It is this combination of talent and financial independence which has prompted his decision to stay amateur. He has decided that he wants to become the first amateur since Bobby Jones to win a major championship.

"We have got five rigs drilling for oil right now," he says. "We know there is oil under three of them but two are pure wild-catting. I love working in the business and I can get enough time off to play all I want.

"Next year I am going to play in the U.S. Masters and Open, and the Open Championship at Royal St. George's and nine other professional tournaments.

"The one I really want is the Masters. It ought to be the easiest, because of the restricted field, and I have asked Byron Nelson what he thinks. He says an amateur could win it, so I am going to try. "It is not presumptuous. No one wins anything without first believing that they are going to."

That kind of positive thinking was, occasionally, belted into Hal by his father, who has been known to rant and rave at his son by the side of the 18th green at the end of an unsuccessful round.

"Sometimes we did not speak for days," says Sutton junior." What he did not realise was that he was teaching me too well for his own good. I got to be as stubborn and determined as he was. But we do not fight too much now. He can see my success. I can appreciate his. We have got a lot to be proud of in each other."

Hal Sutton

Ronan Rafferty

Sutton, 6 ft 1 in, has the classical low-to-the-ground golfer's build. With a long back and comparatively short legs, Tom Watson, Jack Nicklaus and Sandy Lyle are similarly proportioned, and it is their kind of *golf achievements Hal Sutton* wants to emulate. In doing so he would honour the promise *he made to his father at 15.* "He told me," said Sutton Jun., "that if I did all I could to be the best I could, at whatever I chose, he would support me. I have, and he has."

Sutton was 10 strokes ahead of the fourth-placed individual at Pinehurst, who was the 16-year-old Irish boy, Ronan Rafferty. The burly, 14 st Warrenpoint player was, in the critics' eyes, a controversial choice.

That the selectors were right is shown by the fact that Rafferty was 13 strokes better than our next best man, Ian Hutcheon, and without him our fifth place in the team event would have been embarrassingly impossible.

At first sight Rafferty is not impressive. Off a flat-footed, open stance, with an abbreviated back swing, there seems too much to go wrong. *But under* the intensest pressure, Raffetry repeated his swing and almost every shot was watched by a member of Mark McCormack's management group, *Roddy Carr*.

He would be unwise to turn professional for a couple of years. *In that time he can* travel the world in Great Britain and Ireland (GB and I) teams "I'm the I in GB and I," *he said* at Pinehurst.

It is unlikely, too, that he will end up at an American University. He has already left school, without any of the qualifications he would need for the much more rigorous entrance examinations now enforced, and in any case he is not too fond of formal learning.

One day, on the way to Pinehurst, the car taking him there came upon a school bus. Rafferty reached down, picked up a newspaper, and covered his head with it. "I don't like to see those things," he said, "And I don't like them to see me."

His abilities, and those of Hal Sutton, lie elsewhere two truly talented men.

Size and colour of kettles of fish

FISHING

JOHN CHERRINGTON

AS I FEARED last June the excellent "Mayfly" season on the Test where I fish seems to have inhibited the fishing for the rest of the season to the extent that the last two months have been very dour indeed. This is surprising as usually August is quite good and September in normal times *often very good*.

You will notice that I am underlining the normality of the river which physically at least has recovered from the 1976 drought, both in flow and in weed growth, and about time too. The trouble is that although I am assured that stocking has been normal and the fish should be there, I have encountered very few indeed. There have been quite good hatches of fly but nothing going for them. This goes for grayling and dace as well as trout. These can at least provide movement even if they can aggravate a fisherman.

I find it hard to believe that the very fact of a good Mayfly hatch should make the fish scorn the smaller species later in the season. For a week or two perhaps, but for several weeks does not make sense. However, the same was said of the Kennet where I used to fish many years ago. There the Mayfly used to be spectacular and the A4 through Hungerford was plastered with the flies. I used to think the reason was that the Kennet fish included a larger proportion of long lived brown trout, which spent most of their time on the bottom. Only showing when a great mass of easily gobbled Mayfly were on the surface and then disappearing into the weed until another season.

This time I understand the Kennet had little Mayfly and fishing has been possible right through the season, admittedly with stocked fish. I have nothing at all against stocking the rivers whatever some of the purists say. In fact anyone who claims to have fished the Test or Kennet when only natural fish were available, must be at least as old as Methuselah. Without stocking there would be very few fish to catch, as there is simply not enough feed to maintain a population of any size.

I must say though that I begin to hear criticisms about various rivers over the size of fish with which they are being stocked. For me the essence of fishing is to catch the fish, and it stands to reason that if the river has been stocked with very big fish it is less interesting than where the numbers are much larger although the sizes are smaller.

There is just as much sport and interest in finding the river with plenty of movement from fish, which go to say a pound and a half than one stocked with fewer of the bigger fish and the provision of these smaller fish is of course much cheaper. There is also the certainty that the smaller fish provide much more delicate eating.

Incidentally the modern fish pellet does attract an excellently fleshed fish. I remember when I first caught a Test trout, an exciting moment indeed, an old fisherman who watched me land it said "Now go home and bury it under a rose bush, it is about all it is fit for." I did not take his advice. It was cooked and it was white fleshed and horrid, not a bit like the present pink fleshed ones.

But to me the most extraordinary thing about the season has been the continuing absence of grayling from many of the beats and their lack of interest in the fly life even if they can be seen on the bottom. I know that various methods are used to keep them down and too many grayling can spoil a trout beat, but numbers must have fallen excessively. The rules where I fish lay down that all grayling must be killed and I used to bring them home for the cat.

In despair at never catching a trout the other day I brought home a grayling I had caught on a *nymph* for the table, scraping off the scales under water when cleaning it. A messy job but worth doing. The flesh was white just like the Test trout used to be before they had the latest in pellets, but it had rather a better flavour.

The crimson colours of autumn

GARDENING

ARTHUR HELLYER

SOME OF the richest colour in my garden at the moment is coming from the ripening leaves of *Vitis coignetiae*. This magnificent Japanese vine always colours early and well, producing not only the deep crimsons and coppery reds we expect from good autumn foliage but also lighter, more unusual shades of cherry red, especially on the undersides of the leaves. It is rather too vigorous a plant to be comfortable in small gardens though it will submit to very restrictive pruning so long as it is done in winter when the sap has gone down and there is no danger of bleeding. Under these conditions individual leaves will become even larger and more handsome. They are almost round and completely unlobed quite unlike most other vines.

The very first autumn colour came, as usual, from *Prunus sargentii* and it, too, is a native of Japan and neighbouring Sakhalin to the north which guarantees its complete hardiness. I rate it one of the best of all ornamental cherries, lovely in April when covered in pink flower and bronzy red young leaves especially good in the selected variety Accolade, not too wide spreading in habit and brilliant in orange and red foliage in September.

The old-fashioned stag's horn sumach, *Rhus typhina*, is another plant that never fails to colour well but I do not see it being planted much nowadays, probably because of its annoying habit of throwing up suckers all over the place. However, they are not very difficult to chop out with a sharp spade since the roots from which they grow are always quite close to the surface and are not particularly tough. Incidentally the suckers, if dug out with a piece or root in autumn or winter, transplant well and make useful stock to give away to friends.

Rhus typhina has never quite decided whether it wants to be a large shrub or a small tree and it can be grown either way, pruned down quite a lot each winter and allowed to keep a few side stems or suckers to make a broad, open branched bush or trimmed to a single stem with a head of branches on top. The large leaves are composed of numerous long leaflets arranged feather fashion each side of a central stalk and are further slashed into innumerable narrow segments in the elegant but less vigorous variety Laciniata which produces equally strong shades of crimson and orange in the autumn.

My favourite rowan for autumn foliage colour is one I acquired many years ago as *Sorbus discolor*. It has a good habit for a small garden, most of its branches being held erect with only a very modest lateral spread. The autumn colour is really fiery, a brilliant coppery red unequalled by any other rowan I grow but it does not flower of fruit freely and I suspect the name I bought it under is wrong. Apparently *S. discolor* is a horticultural and not a botanical invention covering two different plants, one from Japan, which should correctly be known as *S. commixta*, the other from China and lacking, as yet, any proper botanical name though sold by some nurserymen as *S. Embley*. Other nurseries and garden centres go on offering *S. discolor* and whether this means *S. commixta* or *S. Embley* seems to be a gamble. I have little doubt that my own tree is *S. commixta*, for *S. Embley* is said to have heavy bunches of glistening red fruits.

One of the most handsomely coloured autumn foliage shrubs is *Fothergilla major*, but I would hesitate to recommend it to small garden owners since, except for a few weeks of glory in October, it does not contribute a lot to the garden the rest of the year. Its leaves are rather like those of a cob nut and it usually produces quite a lot of its little yellowish-white, bottle-brush flower spikes in May but these are interesting rather than beautiful. It is the tremendous autumn display that should guarantee it a place where there is room for a shrub that will fill an unspectacular background role the rest of the year. It dislikes lime but will grow well on both acid and near neutral soils. It is deciduous and makes a shapely, well branched bush of medium size.

Of course the maples occupy a place apart where autumn colour is concerned, particularly the many forms of the Japanese maples, *Acer palmatum* and *A. japonicum* (why is it that so many Japanese trees and shrubs colour well?). The former is often no more than a wide spreading shrub, the latter always a small tree. It is the varieties of *A. palmatum* with very divided leaves, usually referred to as "Dissectum varieties, which are least vigorous and so most suitable for planting on rock or as specimens on terraces and patios. They vary quite a lot in colour, *Dissectum Atropurpureum* being red-purple all summer, *Dissectum Flavescens* yellowish green, especially in spring, and *Dissectum Roseomarginatum*, green with a rose margin to each leaf.

The best azalea for autumn colour is undoubtedly the common yellow *Rhododendron luteum* and as it is also by far the best for flower perfume I would always try to find room for it even though its flower quality is relatively poor. However, in a small garden where everything must play an extended part, I would look for a compromise, a deciduous azalea with finer, more colourful flowers and good, if not quite such spectacular autumn leaf colour. The quest would almost certainly end in the older Ghent Hybrid section of the family, perhaps in Cocinea Speciosa, a variety which, after nearly 150 years, is still unsurpassed for scarlet colour, or Nancy Waterer, also over a century old, golden yellow in flower and only recently recognised as an outstandingly good plant by being given a belated Award of Garden Merit. But perhaps the best advice of all would be to visit a garden centre or nursery now and pick out the azaleas that are colouring well.

Al Kuwait at Newmarket

RACING

DOMINIC WIGAN

HIGHAM GREY was the only surprise absentee when the runners were declared for today's Tote Cesarewitch and 27—one of the marathon's biggest post war fields—will go to post.

The 4-1 favourite, Al Kuwait, was freely available at 20-1 when the weights were published and has been backed through all rates to his present price; while the recent move for Get Stoned has been equally pronounced. Thirty-three-to-one no more than a week ago, the Newmarket colt was the subject of sustained support once it became known that Carson was to partner him. Get Stoned seems likely to go to the post at around 12-1; while the five-year-old Mons Beau, a 40-1 chance as recently as Wednesday, is expected to jump off at half those odds.

Although some of Al Kuwait's supporters may have been disappointed in the Epsom four-year-old's recent fourth placed effort behind Beau Reef in the Southfield Handicap, at the Newmarket last meeting his performance, over a totally unsuitable trip, struck me as highly creditable. Running on well in the closing stages of that mile and a half event over this course Al Kuwait was less than four lengths adrift of the winner at the line. With six furlongs further to travel this afternoon and following torrential rain, with the premium on stamina, Al Kuwait may well salvage some of the losses incurred by his stable over Tender Heart in the Cambridgeshire.

Thirty-five minutes before the Cesarewitch Northern Baby is suggested with far more hope than confidence in an almost equally open-looking race for the Champion Stakes.

NEWMARKET

1.45—Red Wolver
2.25—Northern Baby
3.00—Al Kuwait***
3.35—Gim Game**
4.10—Bedford*
4.40—Ajimura

PROPERTY

In Sussex by the sea

BY JUNE FIELD

LOVELY IT IS, *when the winds are churning the waves on the great sea, to gaze out from the land on the great efforts of someone else,* wrote the Roman poet Lucretius. But living by the sea, whatever the season, means that one moment it will be crashing angrily against the shingle, and a gale blowing, while the next, the water can be flat calm, placidly lapping the sand.

This was the combination I found last weekend at the launch of a development at Fosters, a few yards from the foreshore off Angmering Lane, between East Preston and Rustington. (All these West Sussex place names derive from Old English — Rustington, Rusta's farmstead, East Preston, priest's farmstead, and Angmering, Angemoer's people.)

Fosters, originally The Thatches, then Sesamee, is believed to have been built in the early 1920s. Several times extended and reconstructed, its thatch was lifted off to encompass another storey with "eye-brow" dormers, the roof covered in hand-made Sussex clay tiles, and a Voyseyish-style tower-wing added. Its owners have included Lady Phyllis Cahn (who died recently), widow of Sir Julien Cahn, and, for some years, the Wickens family, builders of some of modern Rustington; in 1978 they turned it over to Holdcraft Developments, which are carrying out the conversion of the house and development of its grounds.

The place is on the borders of the Sea Estate and the Willowhayne Estate, with their private roads, handsome houses, manicured lawns and herbaceous borders. I came along the quiet traffic-free greensward by the sea, passing the spritely 90-year-old Mr. Stanley Holloway walking in his garden. And as the weather gradually calmed down, up popped the rabbits from their burrows, obviously agitated at the building work going on in what had been for so long undisturbed territory.

The architects for the conversion, Critchell Harrington Partnership of Chichester, have hardly altered the exterior of the house, retaining the old tiles and curving windows; but the leaded light glass has had to be replaced, as some of it was damaged, with plain panes, double glazed. Inside, the fine oak staircase and doors remain, and some of the original window-seats and stone fireplaces.

Both the quality and the price of the spacious well-finished apartments are aimed at the top of the market, in keeping with the quality of the homes in the area. A two-bedroom, two-bathroom apartment with a large living-room, hatch to lavishly equipped kitchen, with gas central heating, entryphone, and a garage which will take a Rolls-Royce, is £80,000 for a 125-year lease at a nominal ground rent of £1.

A partially retired Swedish business man with one home in Hamburg and another in Denmark, has bought the roof-top apartment with a balcony overlooking the sea and gardens; and a doctor from Scotland and his wife are already installed in one of the first floor flats. The south-west facing first floor three-bedroom apartment with extra utility area and a splendid sitting-room overlooking the water is £87,500, and similar accommodation on the ground floor at garden level has a sun-room with doors to a patio.

The next phase of five 3-bedroom, 2-bathroom flats, facing south, being matched into the original house, are under construction now. They should be ready in the spring, and can be reserved.

For an illustrated brochure, and to make an appointment to view, contact Mr. David Hobden, Hobdens, 30, High Street, Littlehampton (09064 4343). Included in the folder is the site plan which also shows where the 11 new houses and a bungalow, at similar prices, are to be built.

For a simple lunch and local atmosphere there is the Arun View at Littlehampton. You can sit in the bar overlooking the river and watch the coasters, fishing boats and little yachts go by as well as the old swing bridge being demolished in preparation for a new one. (A plate of fresh fish is £1.50, sausages £1, both with chips). In the evening, go back in the other direction for the more sophisticated delights of The Old Forge Restaurant, East Preston, prime Scotch steaks and lobster against a background of soft lights and sweet music.

For other properties in the district contact Mr. Michael Thomas, partner Fox and Sons, 4 Broadmark Parade, Rustington (09062 73131). Their latest list includes a three-bedroom, two-bathroom house at Angmering overlooking the 5th fairway of Ham Manor Golf Course (offers in the region of £78,000), the three-bedroom School House near Arundel (£70,000), where if you pull the sash in the roof the original bell will ring out, and a four-bedroom, two-bathroom flint cottage which has been reduced by £6,500 to £53,000.

Above: Driftstone Manor, Kingston Gorse, West Sussex, a Tudor-style house built in the late 1930s has 5 bedrooms and 4 bathrooms. The gardens which have a private footpath to the sea. Michael Thomas, Fox and Sons, 4 Broadmark Parade, Rustington (09062 73131), is asking £200,000. Right: Fosters, a large house overlooking the sea in a private estate in West Sussex, has been converted to five spacious apartments. Prices are from £80,000 to £87,500 for a 125-year lease. Details from David Hobden, Hobdens, 30 High Street, Littlehampton, Sussex (09064 4343).

You can walk across the grass to the beach at Needles Point, Milford-on-Sea, Hampshire, where a development of 3-bedroom, 2-bathroom Mediterranean-style houses are being built by Bartlett Gilbert Homes in association with Reprise Developments. There are views across to the Isle of Wight. Prices are around £80,000 according to size and design. Brochure and appointment to view the showhouse from Paul Jackson, Jackson & Jackson, The House On The Quay, Lymington (0590 75025), whose office is open all day Saturday.

Failure of feedback

MY SUGGESTION that vendors should check with their agents what the reactions of viewers are after they have been round a property, appeared to have touched a nerve with quite a few frustrated sellers.

"A vain exercise in our experience," wrote a reader from Reading. "Our two-bedroom bungalow in a fairly popular area was on the market from October, 1979 to July, last. Despite repeated pleas to the agents, not once did we receive a hint of why we were unacceptable. And in spite of an eventual reduction of £6,000 on our original asking price of £41,950, we received not a single offer."

Failure of communications still seems to be the major problem with a client/agent relationship. "After considerable initial enthusiasm over 'my attractive little house', I never heard a word," commented another seller. "I had to go into the agents' offices to collect the particulars, which had never been sent to me for approval, and I found that the back balcony had been put on the wrong floor, and the one on the front left off altogether!"

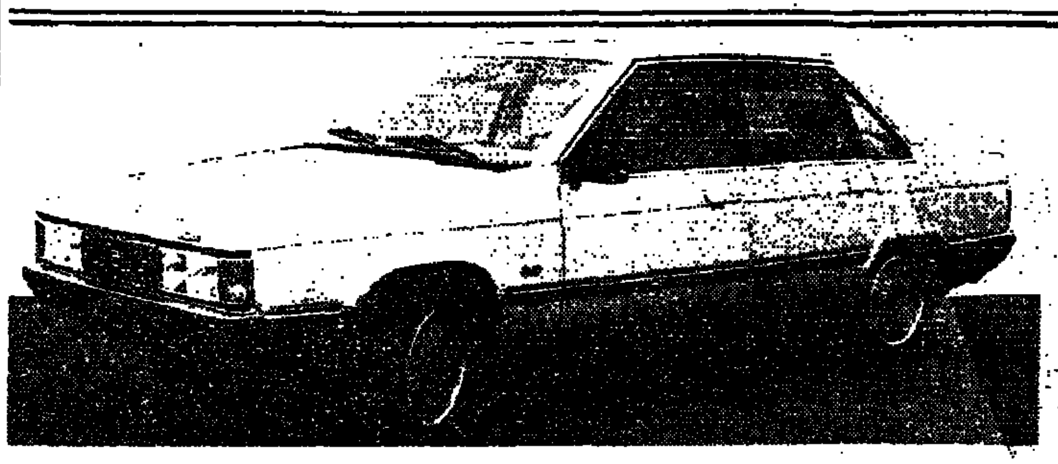
Of course would-be purchasers have their faults, too. From Surrey someone said that one viewer observed, "after copious questions about how much it cost to run the place, that he was really looking for a neo-Georgian style property anyway. "And as my home is slightly 'dated' 1950s, there was obviously nothing I could do to change the shape!"

And some agents complain that clients are not always frank enough about what they can afford to pay, and whether they can really proceed with a sale. "'I have sold my house' often means just that they have had several people coming to see it on Saturday. Or that a deal is not actually contracted, but merely a link in an ever-lengthening chain."

To promote communications generally in the property market, Lord Matthews, deputy chairman and chief executive of the Trafalgar House Group, used to hold a get-together of personalities in the trade when he first started in the building business. Now he has revived the idea by planning a steak and kidney lunch at the Ritz Hotel next month "to review informally the state of the market and to discuss its immediate future."

He and the directors of the Ideal Building Corporation have invited senior executives from the major building societies, the big high street banks and leading estate agents, plus representatives from the Greater London Council, the Department of the Environment, and important suppliers of material to the industry. The missing link of course is the buyer, but anything that helps to improve communications between the profession and its market, is welcome.

MOTORING



The Talbot Tagora, a front-wheel drive executive saloon

Around the Motor Show

BY STUART MARSHALL

THE STARS have already made their well publicised appearances, either at previous international motor shows or in local dealerships. At our Motor Show, which the Prime Minister opened yesterday, it is the supporting players that are attracting much of the attention.

And a very interesting bunch they are, too. Although 1980 has been a year that the motor industries of Europe and America will do their utmost to forget, it has produced a vintage crop of new motor cars for Britons to catch first sight of at Birmingham. (I mean at the National Exhibition Centre, Birmingham. The Society of Motor Manufacturers and Traders, which organises the show, bridles if you call it "The Birmingham Show" because there is a lesser event of that name).

Taking an alphabetical stroll round the stands is much less of a feat this year than in 1978 because the exhibits are spread out over a far larger area. Even without a working knowledge of karate you can reckon on seeing the cars.

Aston Martin show their Bulldog, a twin supercharged, alleged 190 mph-plus dinosaur that the world must need like the proverbial hole in the head.

Audi's 80 coupé and Quattro will be on sale here soon and merit close inspection meantime. Both share the same attractive (though most definitely not beautiful) two-door, four-five seat body. The 80 is front-wheel driven and powered by a two-litre, carburetted five-cylinder: the Quattro's turbocharged 2.2-litre version of the same engine drives all four wheels. If the first is a quick, mildly sporting and potentially very economical car, the Quattro is the cleverest thing to appear on the motoring scene this year.

By taking a lot of stock bits and pieces from their Audi range, VAG (the VW-Audi Group's new name) has created a supercar that laughs at snow-slippery surfaces, makes people like me feel as skilled as a rally ace on winding roads and swoops along the autobahn in relative silence at 130 mph.

BMW's mid-engined M1 costs twice as much as the Quattro and is strictly a two-seater with room for a week-end bag but not much more. In the arcane world of 2½ miles per minute motoring, it has few rivals for balance, obedient handling and, yes, comfort. Who, after all, would want to travel the autobahn as though in a wingless executive jet deafened by mechanical clamour and wind roar? Not many people with £35,000 to spare on a car that is, by any sensible standards, a plaything.

Mitsubishi's two-litre Colt Sigma successor, the new Galant, is sharper styled and has a brand-new engine.

Daihatsu's battery-electric Charade (a variant of the three-cylinder petrol engined runabout) is said to have a range of 47 miles and a top speed of 47 mph, plus an ultra-rapid recharging system.

The **Fiat Panda** is Italy's idea of a car combining the Austin Metro's urban nippiness and easy motorway cruising capability with something like a Renault 4's facility for bounding along rough tracks, laden with livestock or bags of fertiliser. There is hardly a double curvature panel in its body but it looks workmanlike rather than austere. It will, I suspect, appeal strongly to buyers in this country who regard a car as a domestic appliance and really do not need a shrunken limousine. The Panda has seats you can take out and wash at the laundrette.

The **Opel Commodore** and its near identical twin, the **Vauxhall** Viceroy, are six-cylinder, 2½-litre developments of the four-cylinder, 2-litre Rekord or Carlton. They are rather grander, of course, and will suit buyers who would like a Senator (or Royale) but can't move into the five-figure class.

Mazda's 323 hatchback should be looked at if only to see that it is not the carbon copy of the new Ford Escort everyone originally assumed it to be. There are many mechanical and visual differences and the 323 will be available as an automatic when it comes here in the spring.

Mercedes-Benz's new "S" type makes its UK debut at the NEC: it is everything a top executive's car should be. **Peugeot** appears to have a highly saleable medium-size estate car in their 305, which is petrol or diesel powered and has an exceptionally clever rear suspension that does not cause any intrusion into the load space.

The Fuego is but one of a collection of **Renault** models new to Britain. Renault prefers not to have the Fuego called a coupé, pointing out that it is virtually as roomy as a same-sized saloon, but its elegant styling will satisfy buyers to whom appearance is a high priority. Two new versions of the best-selling R18 are a Turbo, with a claimed maximum of more than 110 mph plus good economy if driven gently, and a diesel. This has the same engine and 5-speed transmission as the R20 diesel, which has been selling extremely well in France for some months.

The **Rover Vanden Plas** replaces the V8-S and has the kind of interior one always associated with Rovers of years gone by. **Saab's** 900 saloon with a boot is new to Britain; so is the Turbo with automatic transmission.

Talbot's Tagora made its debut a couple of weeks ago at the Paris Show. It has a family resemblance to the Solara (a three box derivative of the Alpine) and a choice of three different engines—a 2.2 litre four-cylinder of Chrysler ancestry, the Peugeot/Renault/Volvo "co-operative" 2.6 litre V6 and Peugeot's 2.3 litre, turbo-charged diesel. Rumours current at Paris that it would replace the Peugeot 604 have been denied. UK sales start next spring.

TVR's Tasmin convertible, hand built and powered by a 2.8 litre Ford V6, is new; so is the neater nose on the **Volvo** 240 and 260 series cars.

The show is open everyday from 10 am to 7.30 pm until Sunday, October 26, when it closes at 5.30. Admission is £2 and parking £2, with free buses to the exhibition. British Rail is offering a £10 day return from Euston which includes admission to the show—and the station is in the middle of the exhibition centre.

Many of the models mentioned are not on the market yet and their prices have still to be fixed.

TRAVEL

The spell of the humming bird isles

BY PAT WALKER

"THE REAL BEAUTY of Trinidad and Tobago lies in its people," a Trinidadian countered as I stood in wonder, exclaiming at the beauty of the Caribbean beach littered with coral and bordered with palm and coconut trees and red hibiscus.

In the sea small groups of Trinidadians stood up to their waists in the cool water, talking and sipping their pre-prandial drinks—a common sight where life is lived outdoors.

He had a point. Trinidadians and Tobagonians exude a natural friendliness.

Humming birds poke their long noses into the chaconia, giant butterflies flash yellow and red as they flit from blossom to blossom and frogs leap uninvited out of the undergrowth and into hotel bedrooms. Indeed with very little help from the rum punch, which is a way of life and served at every opportunity, it is possible to suspend time.

Thus it came as no surprise to spy from beneath the shade of a leafy palm tree a group of 20 or so men hauling an enormous net onto the beach at the foot of Tobago's Mount Irvine Bay Hotel. This was industry. On closer inspection the net contained a rich crop of silver and red fish, shimmering and twitching in the sunlight. Anyone who lends a hand is entitled to a share, including "casuals" like myself. For my meagre assistance I was presented with a silver slither which the hotel was more than willing to cook.

The wonders of the deep never change. The flat, blue Queen Angelfish with her yellow tail, follows the yellow-faced four-eyed Butterflyfish through the coral intricacies of Buccoo Reef. Go in a glass-bottomed boat and stare mesmerised into the crystal clear water as striped, spotted, beautiful and ugly fish of every shape and size dart through the coral.

The journey out to Buccoo Reef which will be arranged for you by your hotel, on request, takes about half an hour and at one point our boatman switched off his engine and ordered us all into the water. With land in the vague distance I, for one, hesitated. But he was right. The water was cool and inviting and only about four feet deep. We slid in and made a surrealist picture — a flat empty boat in the middle of vast blueness, surrounded by floating bodies, gazing heavenward.

Our boatman, so knowledgeable and articulate about fish and coral, turned out to be a member of the steel band whose pans were set out under a palm awning at Pigeon Point — a truly beautiful spot where coral is washed onto the sand and coconuts are waiting to be cracked open.

Not surprisingly, Tobago is known as Paradise Island. The hotels are luxurious, the service is friendly though not slick and the food is good.

Trinidadians will say there are no tourists in Trinidad. All the tourists, and the Trinidadians, go to Tobago in the wake of Robinson Crusoe, who was fortunate enough to be washed onto its shores and find his Man Friday.

To sample real local dishes you have to branch out and find your way to Scarborough, Tobago's capital. Look for a cafe selling roti — a delicious folded pancake filled with spicy meat, peas and beans. Other delights include open-fronted record shops where calypso and steel band records play at full volume.

Here is where steel bands originated after the second world war when young people did not have the money to buy instruments, and so resorted to making them out of oil drums. Today pan making is such a fine art that the steel band can imitate an orchestra and play the classics. It is hard to accept that the players do not read music. It is all done by ear and instinct.

Travelling between the two islands is no problem. After passing through Trinidad's Piarco International Airport you are officially in the republic of Trinidad and Tobago.

Most of the passengers will be local people who regularly make the 20 minute flight. My neighbour was a lady whose large wicker basket was perched precariously across both our laps.

It costs about £15 a day to hire a car and petrol is ridiculously cheap at 20p a gallon. But the best way to travel is by taxi. The drivers are encouraged to know a lot about their country and are more than willing to pass on all they know. It's as well to learn the names of a few current cricketers if you are not already familiar with them!

BWIA International has just introduced the Lockheed 1011-500 Tri-Star wide bodied jet into its London to Trinidad service. New to BWIA is the 42-seat executive cabin, introduced by the airline to cater for the growing number of businessmen whose companies, because of the economic recession, are no longer willing to pay the first class fare.

For those bent purely on pleasure, tour operators which arrange holidays in Trinidad and Tobago include Kuoni, Rankin Kuhn, Bahos, Caribtours and Caribbean Connection.

A two-week stay at the Mount Irvine Bay Hotel, Tobago, including flights, transfers, breakfast and dinner will cost £900 per person in the winter and £700 per person in the summer.

For independent travellers who are prepared to look for accommodation in the many small, comfortable guest houses, the Early Bird fare (booked one month in advance) is £368.50 in the low season (October 1-November 30 and December 25-June 30) and £476.50 in the high season (July 1-September 30 and December 1-December 24). Excursion fares, bookable anytime are £578 in the low season (October 15-November 30 and December 25-June 14) and £711.50 in the high season (June 15-October 14 and December 1 to December 24).

BWIA flights leave Heathrow on Sundays at 13.30 pm and on Thursdays and Saturdays at 10.11 am. Thursday and Saturday flights are via Barbados.

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COMPANY NOTICES

JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LIMITED
(Incorporated in the Republic of South Africa)
NOTICE TO HOLDERS OF SHARE WARRANTS TO BEARER
DIVIDEND NO. 109

Pursuant to the notice published on 27th August, 1980, members are informed that the rate of exchange at which payments of the above dividend are to be despatched by the United Kingdom Paying Agents on 24th October, 1980, is 1 Rand of 100 cents equals 55.5741p United Kingdom currency. The gross dividend payable by the United Kingdom Paying Agents is therefore equivalent to 208.4030p per share.

Holders of Share Warrants to Bearer are informed that payment of dividend No. 109 will be made on or after 27 October, 1980 upon surrender of Coupon No. 109 at the London Bearer Reception Office, 40, Holborn Viaduct, London EC1P 1AJ.

	Amount payable per share (U.K. Currency) p
Equivalent in United Kingdom currency of dividend declared	208.4030
Less South African Non-Resident Shareholders' Tax of 14.33%	29.8641
AMOUNT PAYABLE WHERE A U.K. INLAND REVENUE DECLARATION IS LODGED WITH COUPONS	178.5389
Less United Kingdom Income Tax at 15.67% on the gross dividend (See notes 1 and 2 below)	32.6568
AMOUNT PAYABLE WHERE COUPONS ARE LODGED WITHOUT U.K. INLAND REVENUE DECLARATIONS	145.8821

COUPONS must be listed in duplicate on forms obtainable from the London Bearer Reception Office and deposited for examination on any week-day (Saturday excepted) at least seven clear days before payment is required.

BARNATO BROTHERS LIMITED
London Secretaries
D. W. J. PHILLIPS, Secretary.

99, Bishopsgate,
LONDON EC2M 3XE.
13th October, 1980.

NOTES:
(1) The gross amount of the dividend for use for United Kingdom Income and Surtax purposes is 208.4030p per share.
(2) Under the Double Taxation Agreement between the United Kingdom and the Republic of South Africa, South African Non-Resident Shareholders' tax applicable to the dividend is allowable as a credit against the United Kingdom tax payable in respect of the dividend. The deduction of tax at the reduced rate of 15.67% instead of at the standard rate of 30% represents an allowance of credit at the rate of 14.33% in respect of South African Non-Resident Shareholders' Tax.

NORTH OF SCOTLAND HYDRO-ELECTRIC BOARD

8% 1969/1984 UA 8,000,000

On September 30, 1980 Bonds for the amount of UA 650,000 have been drawn for redemption in the presence of a Notary Public. The Bonds will be reimbursed coupon No. 12 and following attached on and after December 10, 1980.

The drawn Bonds are those NOT YET PREVIOUSLY REDEEMED, included in the range beginning at: 1390 up to 2158 incl.

Amount unamortised UA 4,100,000.

Outstanding drawn Bonds: 30 and 31, 48 to 51 incl., 92 to 96 incl., 164 to 173 incl., 180 to 184 incl., 234 and 235, 264 to 267 incl., 334, 368, 397 and 398, 400, 6782 and 6783, 6831, 6843 to 6846 incl., 7994 to 7996 incl.

The Trustee
FINIMTRUST S.A.
Luxembourg.
October 14, 1980.

LEGAL NOTICE

IN THE MATTER OF
CAPTAIN VIDEO LIMITED
AND IN THE MATTER OF
THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the Creditors of the above named Company, which is being voluntarily wound up, are required, on or before the 7th day of November 1980 to send in their full Christian and Surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any) to the undersigned

LAURENCE JACK GERRARD,
Chartered Accountant,
of Adam House,
14 New Burlington Street,
London, W1X 2BU

the Liquidator of the said Company and, if so required by notice in writing from the said Liquidator are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 7th day of October 1980.
L. J. GERRARD, Liquidator.

COMPANY NOTICE

YNYS MÔN
ISLE OF ANGLESEY BOROUGH COUNCIL
VARIABLE RATE
REDEEMABLE STOCK 1983

The Council of Ynys Môn Isle of Anglesey announce that the half-yearly payment of interest due on 9th April, 1981 on the above stock will be at the rate of £8.0781 (less income tax) per £100 stock.
15th October, 1980

LEGAL NOTICE

THE COMPANIES ACTS 1948 AND 1967
CREDITORS' VOLUNTARY WINDING UP
NOTICE OF
APPOINTMENT OF LIQUIDATOR
UNITED MARINE (1929) LIMITED
AIR FREIGHT
5 Southwark Street, London SE1
LAURENCE JACK GERRARD, FCA
Adam House,
14 New Burlington Street,
London W1X 2BU
Liquidator
Date of Appointment, 3.10.80
MEMBERS AND CREDITORS.
October, 1980.

PUBLIC NOTICES

STRATHCLYDE REGIONAL COUNCIL
VARIABLE RATE
REDEEMABLE STOCK 1982
For the six months from 14th October, 1980, to 14th April, 1981. The interest rate on the above stock will be 15.7813% per annum.
BANK OF SCOTLAND
55 Old Broad Street,
London EC2P 2HL.

ST. HELENS BOROUGH COUNCIL BILLS Issue: 14th October 1980 £2.5m Bills at 14½% due 13th January, 1981. Applications £20.0m. Total outstanding £4.4m.

LINCOLNSHIRE COUNTY COUNCIL BILLS £2m 42-day Bills issued 15 October 1980 maturing 26 November 1980 at 14[illegible]. Applications £17m. Bills outstanding £7m.

BRIGHTON BOROUGH COUNCIL £1.3m bills issued 15th October 1980 due 14th January 1981, at 14[illegible]. Total application £3.9m. No other bills outstanding.

BOOKS

Mrs. B's admirer

BY PETER QUENNELL

An Uneasy Victorian: Thackeray the Man
by Ann Monsarrat. Cassell. £9.95. 461 pages

Mrs. Monsarrat's attitude towards her hero, which has inspired her odd title, and which she proceeds to illustrate during the course of this solid, capably written and well-documented book, is not altogether new. It was shared, for example, by Rudyard Kipling who once remarked that Thackeray "had had the bit of Victorian convention in his mouth and had "champed on it uneasily." While Dickens, whose work, as distinct from his private life, suggests that he more or less willingly accepted the rigid moral standards of his age, Thackeray was brave enough to query them. He envied Fielding's splendid freedom of speech, and, in *Pendennis*, regretted that it was no longer possible to tell the whole truth about a young man's amatory career.

Nor were his religious views invariably orthodox. He might do his best, for his beloved daughters' benefit, to preserve "a beautifully simple faith"; but he described the Bible as a mere "collection of oriental fables and histories," and, although he admitted that "St. John was a gentleman," complained that Christ's disciples were "always asking stupid questions." His social behaviour, too, seems to have been by no means prudish.

Among his old friends was Richard Monckton Milnes, afterwards Lord Houghton, philanthropist, liberal politician, editor of Keats and owner of the largest pornographic library in Europe; and at Milnes' country house the famous novelist encountered the rising poet Algernon Charles Swinburne, who recited *Les Noyades* to a modest party that included the Archbishop of York and the juvenile Misses Thackeray.

The young ladies, unreproved by their father, "giggled aloud in their excitement"; but the Archbishop "made so shocked a face that Thackeray smiled and whispered" to their host. If he was himself in any way perturbed, he certainly hid his disapproval; and the poet was allowed to continue until the butler threw open the door and, "like an avenging angel," announced "Prayers, my Lord!"

On a similar occasion, what would have been Dickens' response? But then, Dickens, we must remember, kept a mistress in the suburbs; whereas Thackeray devoted the most important stage of his life to a completely platonic and largely unrequited passion. Jane Brookfield, his *princesse lointaine*, obstinately loved her husband, a conceited, handsome London preacher, who somehow never quite returned her love; with the result that she had lost her health and gracefully withdrawn to a sofa, around which a crowd of devotees assembled. Thackeray's child-wife Isabella, a victim of hopeless melancholia and violent delusions since her younger daughter's birth, had at length been judged incurably insane; and all his desires and sentiments were now focused upon Mrs. Brookfield, the romantic invalid, witty bluestocking and intellectual *allumeuse*.

Ann Monsarrat has had free access to the Brookfield family papers and to other valuable manuscript sources; and she gives us a fresh insight into this curious relationship. Jane, however, was not the only woman who exercised a lasting influence both on Thackeray's emotional and on his literary development. His mother had preceded her. Mrs. Carmichael-Smyth—after the early death of her first husband she had married an elderly retired soldier, said to have been the "original" of Colonel Newcome—was a formidable ex-beauty, fiercely imperious and possessive, "O so loving, so tender, so cruel," her son wrote sadly many years later. To her he owed his attraction towards "women of spirit"; and in his novels such women are often contrasted with his submissive, childlike heroines.

Thus Becky Sharp is the natural opponent of poor ill-treated Amelia Sedley, who bears an unmistakable resemblance to his own pathetic wife. One of Thackeray's most otiose verbal tricks is his repetitious use of the word "little," applied to any women whom he found appealing. But the appeal of feminine littleness did not suffice. Pity, sympathy, chivalrous regard — "Good God! how pure she was; how gentle . . . and how friendless" muses George Osborne beside Amelia's bed—left room for stronger, much more sensual feelings. Here the "woman of spirit" steps in. Becky Sharp, possibly derived from a courageous grisette he had met at a Parisian masked ball, and who announced that she had at one time worked as a governess in a decent English family, is Thackeray's most memorable character. Pride incarnate, a blend of courage and guile and ambition, she is an adventuress who lives and prospers through the masculine passions she arouses, yet may herself perhaps be frigid. The novelist's masterpiece, *Vanity Fair*, is incidentally his saddest book. His aim, he declared, was "to leave everybody dissatisfied and unhappy at the end of story"; and even Dobbin's unselfish worship of Amelia concludes in bitter disillusionment. Not for Thackeray was the Victorian "happy ending" with which Dickens rounded off his plots.

This carefully detailed portrait of a great 19th century English writer against the background of his age provokes some interesting questions. To what extent is an artist controlled by his epoch, and just how far can he withstand its sway? Is a writer of genius ever truly independent of the social period in which he lives? Despite the publishers' attempts to package the volume for public consumption, a few over-picturesque touches and a series of rather too sensational chapter-headings, Ann Monsarrat's stout biography is a genuinely serious book.

Catching Callas live

BY WILLIAM WEAVER

Maria
by Arianna Stassinopoulos. Weidenfeld and Nicolson £8.95. 329 pages

In her preface to this biography, the author indicates the extensive research that went into it: and, in fact, the book frequently has the ring of authenticity, of the spoken word recorded. Two sections are particularly vivid: the portrayal of the cramped, unloved childhood of Cecilia Sophia Anna Maria Kalogeropoulos and her brilliant yet pathetic final years as the international jet-set celebrity Maria Callas. The biographer also makes clear the divisions and links between these two. Though the diva, in her years of fame, did everything to suppress and forget the shy, fat girl she had been, inside the glamorous, svelte superstar there always remained the hungry, bitter, determined Maria of the first years.

But between the period of hunger and the period of satiety there was the decade or more when la Callas dominated the world of opera, when she was not only the greatest opera singer alive but also a pioneer in musical taste; rediscovering a whole area of great music that had never been entirely lost, but had been forgotten or unintelligently interpreted. It is in this area that Arianna Stassinopoulos is less successful. A pity, because while the glittering Callas of the Onassis yacht and the Maxim's dinners made headlines, the soprano Maria Callas made history.

The reader has the impression that Miss Stassinopoulos has only a superficial knowledge of opera and, indeed, a certain contempt for it (at one point she refers to a court case as "even more *artificial* and implausible than the plot of some of the crudest and most garish operas she had sung in," an injustice to the Callas roles). And earlier in the book, discussing the influence of Elvira de Hidalgo's teaching on Callas's repertory, the author speaks of "Norma, Elvira, Gioconda" as if the last, Ponchielli's heroine (and the one Callas role that could perhaps be considered garish) belonged to the same category as Bellini's great creations several generations earlier.

There are a number of trifling inaccuracies, which do not make the book less readable, though they may sap the reader's confidence. To call Rome's aristocratic, austere Circolo degli Scacchi (which is also misspelt) a night-club is rather like calling White's a disco; and no one who knew him would describe Pier Paolo Pasolini as "unobtrusive-looking." (The author also gets his murder wrong: he was not stabbed.) But these mistakes can be put right in the further editions the book is sure to have. It will be harder — perhaps impossible — to enrich the evaluation of Callas's true significance as an artist. For that, a reading of *The Callas Legacy* by John Ardoin (to whom Ms. Stassinopoulos properly gives generous acknowledgement) is indispensable. Ardoin is currently preparing a book derived from the electric master classes Callas gave at Juilliard. That is the book that opera-lovers and those seriously interested in vocal interpretation are eagerly awaiting. In the meanwhile *Maria* — subtitled "Beyond the Callas Legend" — is enjoyable reading, often on the level of a good old gossip.

Legal and legible

BY RAYMOND HUGHES

Butterworths: History of a Publishing House
by H. Kay Jones. Butterworths, [illegible] 235 pages

As far as the reading public in general is concerned, Butterworths' claim to fame is that it has published entertaining and controversial books by the Master of the Rolls, Lord Denning.

Such a limited reputation does not do justice to a firm that over more than a century and a half, has established itself as the most eminent in legal publishing.

Shakespeare and the Bible may be world best-sellers and the invariable companions of desert island castaways: but neither ranks as high in the legal world as *Halsbury's Laws of England*, the multi-volumed jewel in Butterworth's crown.

H. Kay Jones, a Butterworths' man for 40 years until his retirement in 1974, traces the publishing house's history since it was founded in 1818 by Henry Butterworth, the son of a Coventry timber merchant, in premises in Fleet Street appropriately adjacent to the Temple and almost opposite the Royal Courts of Justice.

The firm passed out of the hands of the Butterworth family in 1895, and soon afterwards came under the control of Stanley Bond, who was to be responsible for the four great legal reference works upon which the firm's reputation was founded.

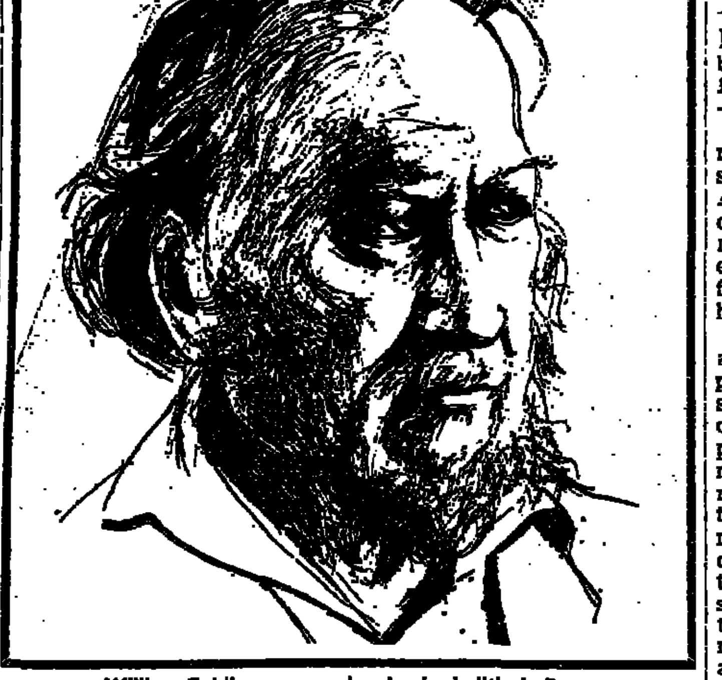
Bond's most ambitious project was a complete restatement of English law, of which the editor-in-chief was the then Lord Chancellor, Lord Halsbury. The massive work—28 volumes of text and three of tables of cases and index—took 10 years to produce.

Halsbury's Laws, together with the *Encylopaedia of Forms and Precedents*, the *English and Empire Digest* and *Halsbury's Statutes*, remain indispensable wherever English law is practised.

Over the years the firm expanded, both at home and overseas, and diversified into medical and scientific publishing.

Inevitably its success attracted interest and Mr. Jones recounts entertainingly the reaction to a takeover attempt in 1967 by Mr. Robert Maxwell and Pergamon Press—"a period of unparalleled excitement."

The Pergamon bid was fought off but led directly to Butterworths becoming part of the International Publishing Corporation, finally losing its independence but retaining its essential character and eminence in the field of legal publishing.



William Golding—a new drawing by Judith de Beer

Parson to person

BY ISOBEL MURRAY

Rites of Passage
by William Golding. Faber & Faber, £5.95. 278 pages

William Golding's new novel, *Rites of Passage*, is a historical novel about a sea voyage. But it has "no shipwreck, no sinking, no rescue at sea, no sight nor sound of an enemy, no thundering broadsides, heroism, prizes, gallant defences and heroic attacks." The experience of reading the novel is nonetheless very dramatic: drama is the essence of the narrative, which proceeds by a series of "convulsions of the understanding."

Our main source of information is an ambitious young man setting out for a career on one of His Majesty's colonies in the Antipodes. Edmund Talbot has promised his noble godfather he will write him a private and detailed account of the voyage. And so the youth, brought up on Fielding, Richardson and Smollett, sets about a version of the epistolary novel.

Talbot is wholly convincing: his voice seems to me unfailingly true to his age, his character, his period and his aim. Clearly his aim includes amusing the noble lord, with patches of *self-consciously* "fine" writing. Already, the novel is a virtuoso performance.

All seems set for an accomplished double comedy, consisting of the intentionally entertaining journal plus some unintentional self-revelation on the part of Mr. Talbot. The young man is very full of himself, and of his status as protégé to the noble lord his godfather: he is very conscious of the inferior status of everyone else.

So the comedy begins to unfold. We are entertained by the spectacle of the narrator's pursuit of the amorous and over-painted Zenobia Brocklebank. And by the vigorous freethinker, Mr. Prettiman, who walks the decks with an antique blunderbuss, determined to shoot an albatross, to the destruction of Superstition and Mr. Coleridge. And by the tiny "fledgeling of the church," the comic parson, who merely by his cloth infuriates the alarming Captain to frenzy. On his first appearance in the novel he staggers "like a drunken crab," fighting sea-sickness, and then vomiting all over Mr. Talbot from a "wet green face."

Talbot has embarked on apparently harmless comedy, but this same Reverend Robert James Colley is to transform the novel from witty exercise in an old mode to shocking drama. Because of what he begins to learn about Colley, Talbot's narrative becomes open to all experience. "I started to laugh—then changed my mind." This is a constant and disconcerting part of the experience of reading the book, as Talbot becomes aware of Colley not as farcical parson only, but as a suffering and intolerably vulnerable human consciousness.

What happens is a deliberate clash of fictional modes. We have accepted the convention by which Zenobia, Mr. Prettiman and Mr. Colley are only marginally "real" characters for whom we should shed tears. Golding's achievement here involves juxtaposing two views of man, a comic, literary one, basically eighteenth-century, and a wholly serious twentieth-century one. In *The French Lieutenant's Woman* John Fowles brought something new into the English novel by writing a Victorian novel with a twentieth-century sensibility and literary self-consciousness: in *Rites of Passage* Golding transforms the novel again, as radically, and with very different effect.

Talbot's education is begun by the first lieutenant, Mr. Summers, who opens his eyes to the inadequacy of some of his assumptions and attitudes. Summers is also perpetually concerned about the victimised clergyman, and his intuitive understanding of events regularly precedes Talbot's "convulsions of the understanding."

Most events in the drama are shown twice, first as insignificant accidents in Talbot's insouciant experience, and secondly in an account from the clergyman himself. True to the devices of the epistolary novel, a long letter from Colley to his sister is inserted into Talbot's narrative. The revelation of Colley's experience, of his pain, is electric.

Colley is also a very credible character, a little pompous, a little patronising to his sister, over-impressed by a lord. In reaching toward an understanding of Colley's experience, Talbot apprehends a whole new dimension of reality.

Fast nag

Reflex by Dick Francis. Michael Joseph. £5.95. 247 pages

Like a good Victorian novelist, Dick Francis in this latest book manages to set up, right at the start, several apparently disparate mysteries (the death of a photographer, the identity of the narrator's lost half-sister, the peculiar behaviour of an eminent member of the Jockey Club). He juggles them neatly, keeping all the balls in the air until the last pages when, one after the other, the solutions are neatly found. In addition, Francis's jockey hero-narrator has to work out a series of diabolically ingenious photographic puzzles, which will fascinate even an all-thumbs user of the instamatic. As usual, the author conveys the sounds and smells, the fears and joys of the track, the central milieu of a keenly observed cast of characters. Francis at his best.

W. W.

Burgessburger

BY ROBERT COTTRELL

Earthly Powers
by Anthony Burgess. Hutchinson, £6.95. 649 pages

"It is a big book by a big man. And it is frighteningly sincere." The words are Anthony Burgess's own, used of *Les Misérables* in a recent review. But they serve well enough, if bluntly, to convey first impressions on confronting his latest novel, *Earthly Powers*.

Burgess is nothing if not an active writer. Small but perfectly-informed paperbacks, separated from one another only by wads of Sunday newspaper articles, hurtle pseudonymously from a camper van rumbling between three continental homes, from which the man himself emerges periodically to bark his way through a television chat show or shout some soap-box common-sense in the name of life and art for a radio lecture. And, through it all, he remains one of the most consistently intelligent and readable of living authors.

Earthly Powers does, however, have the air of standing some way apart from the routine output of Burgess Cultural Products. It is a ruminative book, one in which stock is being taken, a chronicle of the cultures which shaped Burgess himself, through times which are even now slipping out of living memory.

It must be said that, at first sight and in summary, the whole thing appears rather grim. The book is cast as the memoirs of one Kenneth Toomey, a distinguished old writer in self-imposed Mediterranean exile. As Toomey drifts Orlando-like through his life between the First World War and the 1970s, Havelock Ellis stops by for a chat, Ezra Pound for a drink, Sylvia Beach to dance, Ernest Hemingway to offer a book-jacket blurb, a thinly-disguised Jim Jones to polish off a Californian cultist commune, and so on. As Toomey rises to literary eminence, his lifelong friend Carlo becomes Pope, and a child whom they save in a Chicago hospital returns as a sort of anti-Christ.

In the course of all this we wrestle with the moral implications of sexuality, principally Toomey's homosexuality, the doctrines of the Roman Catholic and other churches, the unacceptable face of twentieth-century society, and ultimately the origin and nature of evil.

Conceive of such daunting material presented in the words of a writer continually conscious of the fallibility of memory and the artifice of a rendering into narrative, spiced throughout with Burgess's pet jokes and preoccupations—a landlady called Mrs. Pereira, Julia Kristeva as a ballet-dancing demi-mondaine, lesser-known quirks of James Joyce, some Malayan linguistic idioms—and one has the bare bones, it must be admitted, of a potentially truly awful book.

It is, happily, a very good book — thoughtful, well paced, and uncluttered. It helps a great deal that Burgess does know what he is talking about, so that the proud flux of famous names and historic events is not called up merely for the author to leech interest from their established charisma in order to bolster his own faltering invention.

On the contrary, he succeeds by dint of an apparently vast reservoir of detail supporting a fine sense of personality and place, to bring freshness to names now *badly bruised* by being dropped once too often.

The importance of this culturally panoramic backdrop is that it enables the novel's thematic moral concerns to be realised in a dramatically effective way. In place of what might have been, in a lesser writer, an introspective staring-at-the-wall approach to presenting problems of Catholic dogma or the nature of modern brutality, there is instead an almost cinematic vigour in Burgess's playing-out of the practical implications of such issues within the grandiose worlds of Castelgandolfo or Buchenwald.

Burgess, and his reader, are fortunate that he has the skill and discipline to usefully evoke the events big enough for his theme. It does not *always* work. Mass "suicide" in a religious cult has, for instance, been too recently and exhaustively analysed in the wake of Guyana to take on any additional dimension in this book. The mechanism of coincidence which provides the punchlines to the plot can go a little too far. But with those reservations, this is an imaginatively conceived and powerfully realised book.

SF super-sounds

BY RAY LARSEN

The Priests of Psi by Frank Herbert. Gollancz, £5.50. 204 pages

The author of the bestselling "Dune" trilogy shows his paces with a collection covering a broad spectrum often verging on the macabre. One of the more successful stories is "The Old Rambling House" where Herbert's imagination is working at fever pitch. A dull accountant receives a visit from an odd couple who want to exchange their ultra-modern house for his caravan. Trapped inside the strange dwelling the *accountant is transported to* a distant galaxy where he is forced to work as an interstellar tax collecter. It makes the tactics of today's business headhunters seem primitive by comparison!

The Early Pohl by Frederick Pohl. Dennis Dobson, £5.25, 183 pages

This selection traces the early development of one of America's leading science fiction writers. The stories are interspersed with memoirs of the author's seminal years in New York in the late 1930s and early 1940s when a group of young aspirants began to try their hands in a genre which was completely ignored by the reputable publishing industry at that time. The bitchy infighting and the antics of the destitute authors make lively reading. Many of those mentioned have been swept up in the phenomenal growth of science fiction since the last war and are now highly paid practitioners of their art.

A Choice of Catastrophes by Isaac Asimov. Hutchinson, £6.95, 354 pages

The prolific Asimov turns to factual science to chill the blood with a liturgy of the cosmic disasters which could overtake us. Never a man for the modest approach, he commences with the death of the universe and works down through the annihilation of the solar system and the ending of civilisation through man-made blunders. The book is obviously intended for the scientifically-unsophisticated and adopts a "gee-whiz" approach to black holes, quasars and supernovas. The theme is accurately depicted on the cover with an illustration showing an evil-looking asteroid hurtling towards earth.

COLLECTING

In-house tales

BY JANET MARSH

"ART AUCTIONEERING as an occupation represents a life of perpetual anticipation, often unfulfilled," writes Frank Herrmann in the introduction to his book *Sotheby's, Portrait of an Auction House* (Chatto and Windus, £9.95).

"The participants create the pressures, the tensions, the gossip, the emotions, the conflict of the rational and the irrational. They give to it that extra intangible dimension of mystique, of excitement, discovery, uncertainty and significance in cultural life, that exercises such fascination both inside and outside the business."

The lure of the saleroom — *irresistible once you are hooked* — could hardly be better defined.

Mr. Herrmann's last major work was *The English as Collectors*, which dealt with another aspect of the mechanics maintaining the circulation of works of art. The immense size of his history of Sotheby's is the more remarkable since when he began his research, source material seemed to be negligible. All the company's early records had been destroyed in a disastrous fire in 1865; and since then no one seems to have been much concerned with archives.

Painstakingly Mr. Herrmann combed collections of old auction catalogues, newspaper files, forgotten ledgers and deed boxes and the memories of old employees. The result is close on a quarter of a million words to record a history that spans almost a quarter of a millennium.

Inevitably a great deal of the record is concerned with long-forgotten organisations and reorganisations of the firm, memoirs of long-dead and obscure scholars or businessmen, records of old sale triumphs, dealers' tales.

Skipping here and there — as the book surveys roundabouts and swings of classic sales — the record is surprisingly readable. It is the story of an English institution, most of whose history has been conducted in a creditably civilised fashion. The founder, Samuel Baker, was a bookseller and a character highly regarded in the London of Dr. Johnson (who was actually employed to catalogue a library for a bookseller colleague of Baker). Baker's first recorded sale was in 1744.

The first Sotheby was Baker's nephew John, who took over the firm in partnership with George Leigh in the 1770s. The Sotheby dynasty passed through three generations: John, Samuel and Samuel Leigh.

Despite strong rivals, the firm's early history included such *coups* as the sales of the libraries of Addison and Wilkes and, in 1823, the books which Napoleon had taken with him to St. Helena.

Initially Sotheby's business was confined to books, but at the end of the 18th century, pressed by such distinguished and long-lasting rivals as Christies and Puttick and Simpson, the firm began to branch out into other fields, such as prints, autographs and pictures. By the latter part of the 19th century they were competing with Christies on equal terms in art auctions.

The business began in Covent Garden, but moved to Wellington Street, Strand, in 1818. There they stayed for the 99 years of their lease, moving to the present Bond Street premises in 1917.

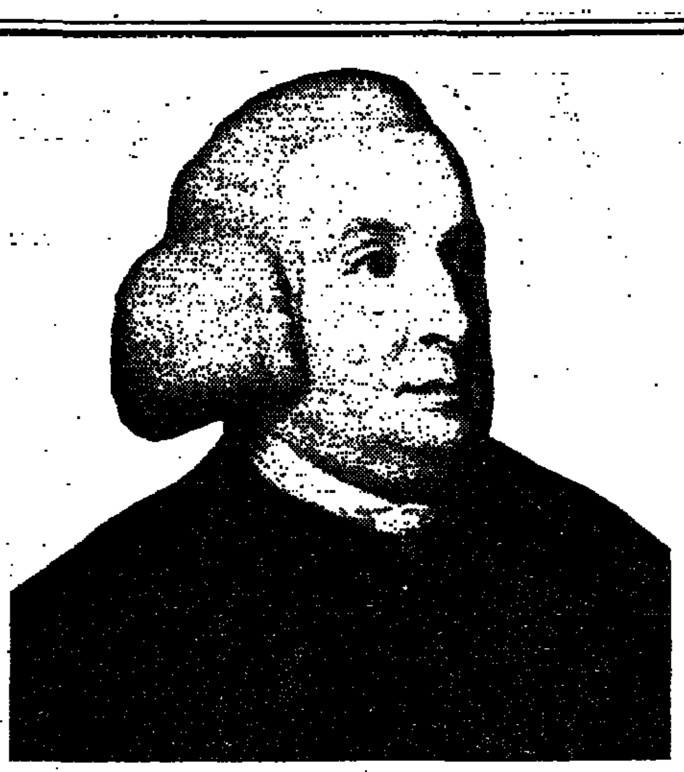
The firm experienced vicissitudes. At one point it was almost taken over by Hodgsons; and in the hard years of the Depression, and again, later, there were negotiations for a merger with Christies. But "the history of an auction house such as Sotheby's is . . . principally about the people involved." Mr. Herrmann recalls some of the oddities and eccentrics who, as dealers or vendors ("proprietors" in the old auction house term) have been Sotheby's clients over the years.

There was the well-named Count Libri, whose fine collection of books, stolen from some of the finest libraries of Europe, provided a distinguished series of sales between the 1840s and 1860s until the fellow cheekily sued the firm when the prices fell short of his expectations. T. J. Wise, the greatest literary forger, was also well known to Sotheby's and John Carter, the bibliophile who eventually exposed Wise's iniquities, was later to become a director.

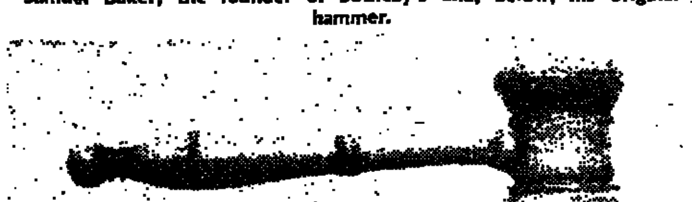
The great dealers, like Bernard Quaritch, who for generations (thanks to a large credit with Sotheby's which gave great latitude to his buying) largely controlled the movements of the antiquarian book market, were no less larger-than-life than their customers. Sotheby's own staff had its characters: even recent clients will have vivid memories of the imperturbable Mr. Patch, the senior sales clerk, and the benign and scholarly Jim Kiddell, both of whom joined the firm in the 1920s and remained until the 1970s.

Today, perhaps, the characters are not always so much in evidence. Sotheby's is now a huge international organisation with a turnover, last year, of £241.8m. In London there are more sales in a single day than Samuel Baker held in a year.

In the decade since the opening of the Sotheby's Belgravia salerooms the range of goods at auction has expanded bewilderingly, to take in postcards, fountain pens, iron stoves and veteran cars. The Old scholarship perforce gives way to something called "expertise." It is nice that *Mr. Herrmann has* humour enough to include in his book the *Private Eye* version of a contemporary Sotheby's advertisement, announcing sales of "Highly Important Joints of Beef and Mutton," "Highly Important Sausages" and "Very Fine Continental and English Bread and Rolls."



Samuel Baker, the founder of Sotheby's and, below, his original hammer.



Trendy slopers

FASHION

ARTHUR SANDLES

THE PACE of rising prices for ski holidays may have slackened as the pound strengthens and the ski areas start growing hungry for business, but that does not seem to apply to ski-wear. Manufacturers and retailers are eager to keep skiers bound to the treadmill of fashion, and to do so at prices which grow increasingly worriesome.

For non-skiers all this may seem in abstract, easy to resist. In the event, however, the ski-clothing producers have "ways of making you buy." It is not just colour and style that is pushed, it is the comfort and light-but-warm fabrics which are offered as being innovative and, of course, "indispensable."

At least in menswear they have something of a point this season. Most ski-shops have gone heavily into the type of ski-top which looks just as serviceable on a British moor as it does on the alpine meadow. Although the good old basic anorak is still around, the newer tops of the season have a bit more flair, and certainly a great deal more down-filling.

These new downy tops have a great many advantages, but they do have several drawbacks. I find them a little too warm for mid-season skiing—when it is too hot for a full anorak but too cold for just a sweater—and it does mean buying a pair of racing-style ski-pants, something which many British are not too eager to wear. Personally I have plumped for a gilet in recent years. They are getting a bit old-hat now but there are still plenty about.

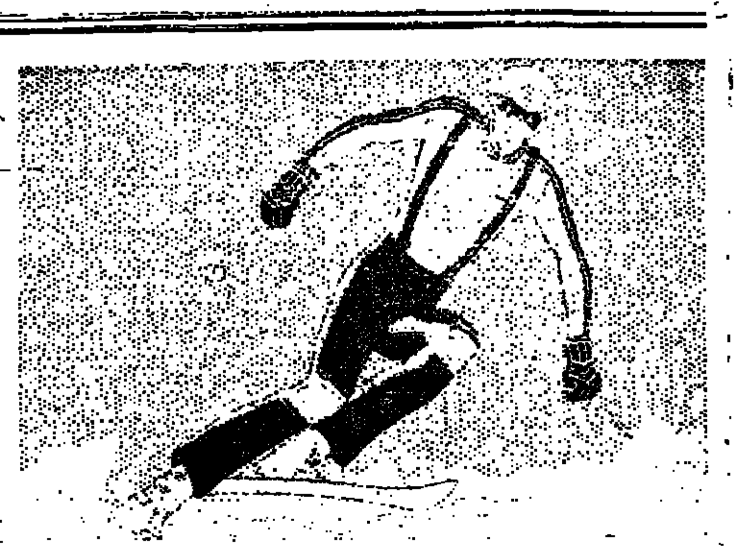
While the old rules about ski-wear still apply—you need something that is warm, light, waterproof and non-skid—there does seem to be a division in trends between men's and women's wear this season. Male ski clothing, like male street wear, has moved to the classic and restrained, but women's wear is showing a strong fashion influence.

If the fashion buffs are to be believed the perfect couple has "him" in a macho top with added bulk from a bale of down, while "she" is wearing a neatly tailored co-ordinated outfit. His colours will be on the dark side, while she will be drifting towards a candy and sugar green colours that were so much in evidence in women's summer wear.

What many retailers tend to overlook when complaining about the conservative British approach to ski-wear is an essential difference in buying philosophy between us and alpine residents. If you are a regular skier, living in the mountains, then that £200-plus which a new Head or Bogner ski suit is going to cost is a worthwhile investment. For someone who only skis for two weeks a year, at most, it may not be.

Amid all this good sense is there nothing to be tempted by? Well, yes. I was a bit goggle-eyed at some superb leather blouson ski jackets at Simpsons of Piccadilly, which are worryingly priced at £125 (£235 with detachable collar), but would be a life-time garment for both ski slopes and leisure wear. At Sun and Snow (Brompton Road, London, SW1) there is a splendid Ellesse gilet outfit that comes with a matching ski-shirt to give a complete jacket look at £150; and at Pindisports branches an excellent range of Killy ski suits (£99 the top and £95 the bottom).

For basic kitting out at a budget price, however, you will have to go a long way to beat C and A which has gone even deeper into the ski world this season. Its women's wear looks particularly imaginative this year. In the past I have wondered about C and A's stocking system—things seem to move in and out of stock with remarkable speed—but it is well worth getting the ski-wear brochure.



Racing pants are reckoned to be an essential part of the skiing male's wardrobe in the coming season. C & A has a reasonable budget line for £29.50. Such pants can cost up to £100 and finding a good fit can be a problem so it is worth shopping around.

At the top end of the C & A women's ski range this suit, much of which is in stretch needle cord, is probably best for the skier who does not fall over too often—cord, waterproof or not, has a habit of picking up snow. It sells for £79 at larger C & A stores.

BRIDGE

E. P. C. COTTER

DURING A recent visit to the West of Scotland, I played two interesting hands with Jane Wakeford, who supported me nobly. The first was in a pairs competition:

N.
♠ A 7 5 4 3
♡ 2
◇ Q 10 9 7
♣ J 4 2

W.
♠ K J 8 6 2
♡ A J 5
◇ K J
♣ 7 6 3

E.
♠ 10 9
♡ K 10 8 7 6 3
◇ 6 5 4 2
♣ 8

S.
♠ Q
♡ Q 9 4
◇ A 8 3
♣ A K Q 10 9 5

With North-South vulnerable, West dealt and opened the bidding with one spade. This was passed up to me, and I re-opened with three clubs, which my partner raised to five clubs, an excellent response.

West shrewdly led the three of trumps, which put paid to any idea of ruffing two hearts, *so some other means of making* eleven tricks had to be found. Winning in hand, I led the diamond three. West at once took his king and continued with another trump. When East failed to follow suit, I saw that I would not be able to ruff even one heart. I could, of course, have played to ruff one heart before getting out the diamond king, but that would have meant inevitable defeat.

Now my only hope was an endplay with West as the victim, so I cashed my four club winners, on which West threw two spades and one heart, while East threw two hearts and a second diamond. My diamond ace dropped West's knave, and I ran three tricks in the suit, on which East discarded a heart and the nine of spades. West, not knowing the exact spade position, and seeing the possibility of being endplayed, threw the ace of hearts — he thought I might hold two hearts and queen and another spade.

I now had a complete count, so I switched to the other front. I cashed dummy's ace of spades, to strip East of an exit card, and led the heart two from the table. East took his king, but had to return a heart to the queen *for my eleventh trick*.

This hand was largely responsible for our finish in second place — the tournament was decided on aggregate scoring.

The next hand occurred a day later at rubber bridge:

N.
♠ K 4 2
♡ J 9 6 3
◇ K
♣ A Q 10 5 2

W.
♠ 8 7 6 5 3
♡ 4
◇ A J 10 7 5 2
♣ 7

E.
♠ Q J
♡ Q 8 5 2
◇ 9 8 6 4 3
♣ K 3

S.
♠ A 10 9
♡ A K 10 7
◇ Q
♣ J 9 8 6 4

Sitting South with our side vulnerable, I dealt and said one club. West bid one spade, which has little to recommend it, and my partner raised to three clubs. I rebid three hearts, and North raised to four. Without any justification East saw fit to double, and when this was passed to North, my gallant partner redoubled, and four hearts redoubled was the final contract.

West led the club seven, an obvious singleton. I won with dummy's ace, led the nine of hearts, and ran it. When this held, I led the diamond king from the table to endplay West, who must surely hold the ace. He would have to return a spade, and whether he had one or both missing honours, I must make three spade tricks. He led the five, and I took East's knave with my ace. There was no hurry, however, to test the spades, so I led a club, this time to endplay East.

She took her king of clubs, and had she returned a trump, I might have gone wrong if I had been greedy enough to try for an uncertain overtrick, but she led the spade queen, and the party was over. Winning with dummy's king, I led a heart, finessed the ten in hand, drew East's remaining trumps, and claimed eleven tricks.

Not difficult, but most rewarding because of the pleasure it gave my partner.

CHESS

LEONARD BARDEN

The England team for the chess Olympics, the world team championship, in Malta next month is Miles, Stean, Nunn, Speelman, Keene and Mestel. The ladies team is Mrs. Miles and Misses Jackson, Caldwell and Whitehead, and both groups are again sponsored by Duncan Lawrie Ltd. who have supported the national sides for several years.

Earlier this year England won the bronze medals at the European championships in Sweden behind the USSR and Hungary, where their results included a 4-4 draw with the Russians and Tony Miles's win over Karpov. Karpov, Petrosian and Tal all did badly and if the European title had been decided over the top four boards (as it will be *in Malta) rather than over eight* (as it was in Sweden) then England would have won.

The USSR team already showed vulnerability two years ago at the Buenos Aires Olympics when they lost their world title to Hungary. They had won all the previous championships in which they competed since 1952, and the question in Malta will be whether Soviet supremacy will be re-established or further undermined.

Always sticklers for chess protocol, the Russians have normally chosen their team on the basis of results in the world title series or the national USSR championship. Their team for Malta is announced as Karpov, Polugaevsky, Tal, Geller, Balashov and Kasparov.

Whether this is the best possible selection for the conditions of the Olympics is doubtful. The Malta event will include over 80 countries and be played as a 13 or 14 round Swiss *system. Game points rather* than match points decide the medals, the schedule is strenuous and the USSR team includes three men on the wrong side of 40. Younger specialists in events of mixed strength such as Belyavsky and Romanishin are omitted.

England, along with the USSR, U.S.A., Hungary and Yugoslavia will be expected to finish in the top five. Whether they return with medals depends on how many of them maintain their current form in Malta. At Buenos Aires in 1978 *three of our team were below* par, whereas the format of the Olympics is such that a medal team can afford at most two passengers. On the most optimistic reading the English players are capable of pressing the Russians hard, though Karpov and Kasparov may carry the USSR to the world title even if one or two of their older men prove over the hill.

John Nunn, who scored 8½ out of 12 in Buenos Aires, has been promoted from sixth to third board, and judged by his successes earlier this year at Hastings and Manchester he should again do well. This game is from the latter event and demonstrates how a rook and two minor pieces, in theory only marginally superior to a queen, are in practice usually a winning advantage.

White: Dr. J. D. M. Nunn (England). Black: K. Pytel (Poland).

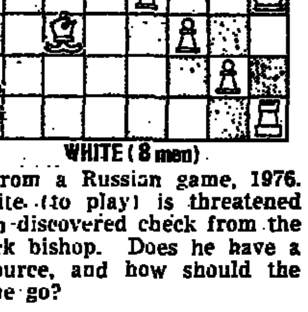
Sicilian Defence (Benedictine International 1980).

1 *P-K4, P-QB4*; 2 N-KB3, N-QB3; 3 P-Q4, PxP; 4 NxP, P-K4; 5 N-N5, P-QR3; 6 N-Q6 ch, BxN; 7 QxB, Q-B3.

8 Q-Q2, KN-K2; 9 N-B3, P-Q3 (recommended by theory, but 9 . . Q-N3, forcing White to go for the unclear reply 10 P-KR4, is probably better); 10 B-Q3! (more natural than the book 10 Q-N5), B-K3; 11 O-O, R-Q1; 12 P-QN3, O-O; 13 B-N2, N-N5; 14 QR-K1, N-N3; 15 N-Q5 (anticipating Black's planned P-Q4), NxN; 16 PxN, N-B5 (already a desperate measure, but if B-B1: 17 P-KB4! NxP; 18 P-N3 wins material); 17 PxB! (the winning move. The rest is a simple essay in handling rook and two bishops against queen), Q-N4; 18 QxN, QxQ; 19 P-K7, P-QN4; 20 PxKR=Q ch, KxQ; 21 R-K4, Q-Q7; 22 P-KB4, P-B3; 23 R-K2, Q-R4; 24 PxP, PxP; 25 BxKP, K-N1; 26 B-R1, QxP; 27 R-K7, RxB; 28 PxR, QxP; 29 R-B1, K-B1; 30 R-Q7, K-K1; 31 RxP, Q-K3; 32 R-B8 ch, QxR; 33 R-N8 ch, K-Q2; 34 RxQ, KxR; 35 BxP, Resigns.

POSITION NO. 342

BLACK (9 men)

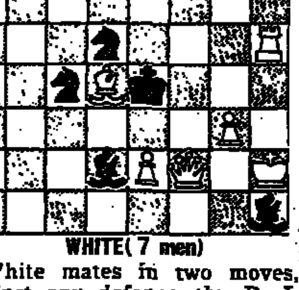


WHITE (8 men)

From a Russian game, 1976. White (to play) is threatened with discovered check from the black bishop. Does he have a resource, and how should the game go?

PROBLEM No. 342

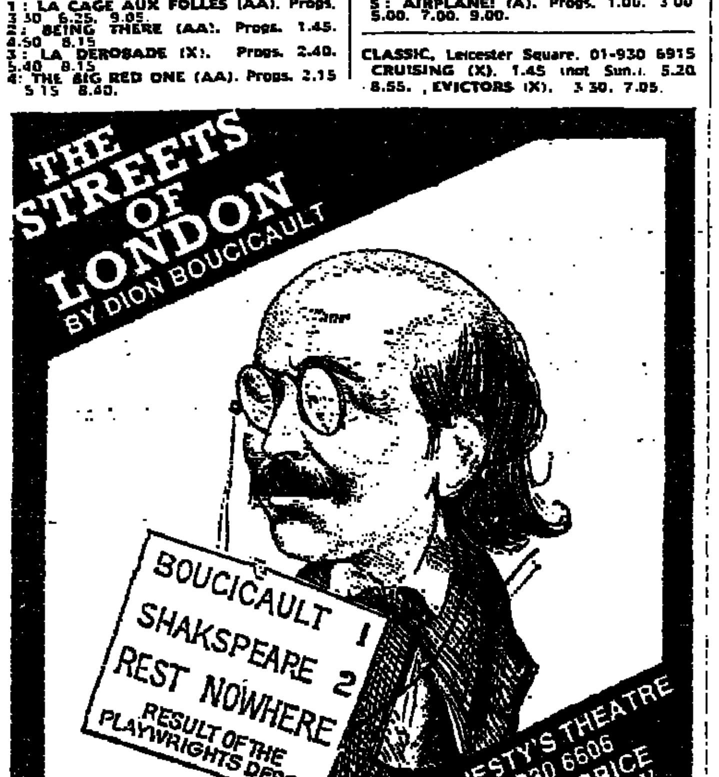
BLACK (7 men)



WHITE (7 men)

White mates in two moves, against any defence (by D. J. Shire, Canterbury).

(Solutions, Page 12)



ARTS

Lifeman liveth

BY ANTHONY CURTIS

Radio is unfailingly loyal to its own. It therefore seemed right and proper that time should have been found on *Bookshelf* (Radio 4 UK October 12) for the biography *Stephen Potter: Inventor of Gamesmanship* by Alan Jenkins (Weidenfeld and Nicolson £8.50) which has just come out. By adroit programming it was preceded by an interview with the inventor of Henry Root, William Donaldson, whose alias was first disclosed by my colleagues on Men and Matters, and who has transposed the spirit of lifemanship into the era of the 12p post. It was a nice touch to invite Kenneth Kendal along to read out his courteous reply to the belligerent Root. Donaldson, whose *Further Letters of Henry Root* (Weidenfeld and Nicolson, £4.95) has just appeared, explained that, strictly speaking, Root should have made his millions in the construction industry, but that his inventor could not resist the monosyllabic joy of wet fish. It has landed him a rich haul.

However much of a bore Root may have become by now, Potter would surely have approved of the operation and would have been an ideal reviewer for the book. What, though, would he have thought of Mr. Jenkins's biography? His first reaction would probably have been one of astonishment that there should be a biography, followed by gratitude for the skill and competence with which it has been put together, ending with that queasy feeling in the pit of the stomach we all get when we unexpectedly catch sight of ourselves in a distant mirror.

Potter kept a journal for much of his life which Mr. Jenkins has used to give substance to the book and he has interviewed many of his surviving friends and colleagues. Bird-watching readers will enjoy the sections describing Potter's expeditions in the company of James Fisher and Ronald Lockley to the Highlands and Islands of Scotland and to the Pembrokeshire coast in search of fulmars and other rare species. But more to the present point are the sections which deal with Potter's radio career, first as a staff man at the BBC and later as a freelance broadcaster of some eminence. He was taken on as a writer-producer in 1937 and worked his way from schools programmes and the Empire Service to independent features. He had by this time acquired a small reputation, having published a novel, books about Coleridge and *The Muse in Chains* where his gifts as a satirist first emerged. In it Potter deals with the careers of the great Shakespeare scholars in the astringent style of Strachey. The war saw Potter moved to Manchester to produce propaganda features, at which he was adept; it also enabled him to use the literary material he had gathered since leaving Oxford in radio plays like *Married to a Genius* (Coleridge as seen by Sara). Potter's outward casualness and love of understatement, masking intense professionalism and burning ambition, perfectly suited the mood of the 1940s. The problem of how to excel preoccupied him until it became the basis of a series of spoof programmes, devised with his friend Joyce Grenfell, which rapidly proved to have universal appeal. When the Third Programme was started, its image was tempered by the transmission of *How to Listen* . . . by that gifted, cruelly observant pair.

From there it was a short step to *Lifemanship* and *Gamesmanship* and a decade of booming sales worldwide under the imprint of Hart-Davis. Mr. Jenkins tells us what happened when the long boom finally burst, and the end is a little sad. Potter did not just want to play Hamlet he wanted to play Lear as well whereas the only role in which he truly excelled was the Fool.

He was, though, an extraordinarily nice man. I remember once having lunch with him and talking to him about professionalism in tennis, the difficulties there must be in travelling around the world for 10 months of the year with people with whom you are in lethal competition. "What," I asked Potter, "would you say at the party afterwards to the wife of the chap whom you had just defeated in the championship?" "Ah," he replied with tears in his eyes, "it opens up a whole new dimension!" He had in his youth had ambitions to be an actor and it was during his own early acting days that Roy Plomley first met Potter. Mr. Plomley appeared in several of the *How* programmes, and gave us a beautiful Potter cameo in *Bookshelf*. Mr. Plomley has an uncommonly accurate memory for visual detail which comes across strongly in his own memoirs, *Days Seemed Longer* (Eyre Methuen £6.95) also just out. These are pre-desert island, but give a highly readable view of his Surrey childhood as a chemist's son, and his early years in the theatre and commercial radio.

The Romans in Britain

BY B. A. YOUNG

Each time I see a new play by Howard Brenton I feel a slight sense of reassurance. Could *The Churchill Play* have been quite as appalling as I thought? Why, yes — here is *Sore Throats* to confirm my judgment. But suppose *Sore Throats* was really a little better than it seemed to me? Well, there is nothing in *The Romans in Britain* which opened on Thursday at the Olivier to suggest any such thing. Its three hours are devoid of wit, beauty or drama, and the message it appears to offer us only surfaces in the closing scenes. Whatever weaknesses there may be in Mr. Brenton's writing, inconsistency isn't one of them.

He begins *The Romans in Britain* in characteristic style. Two ragged Irish peddlers slink timidly through the sturdy, bare tree trunks of Britain (north of the Thames) to speak to us from downstage. "Where the f— are we?" one of them asks in the argot of 54 BC. They are looking for the sea, but before they ever reach it they are overrun by a party of blond-haired naked Britons (*non Angli sed angeli*) who hang one of them upside down from a tree and cut his throat.

The Britons themselves are scared of the Romans, big metal men rumoured to be in the neighbourhood; and soon enough the Romans appear. "Three wogs!" they say, seeing the Britons. They quickly subdue them, and the leading Roman buggers one of his captives, who claims to be a priest. Julius Caesar himself comes, with his staff and demonstrates his bent for authority. When they leave, their influence is well expressed: "They have struck a spring in the ground under your feet. It will never dry."

Nor indeed has it dried in the second act, which takes place simultaneously in AD 515 and the present day, when on the one hand we have the British fighting the Saxon invaders as the last vestiges of Roman colonisation melt away, and on the other a British officer in the SAS setting up an operation in which he appears to be offering to supply the Irish with Czech small arms, but is naturally shot by the Irish as soon as they find out who he is. (This episode is written with such absurd disregard for truth or probability that it can't possibly convey any message to anyone.)

Colonisation is the theme, the conquest of indigenous peoples by newcomers, and the effect on the peoples even when the conquerers have gone. There is a poetic coda when one of the slaves of a Roman matron who has just died of plague sits down and extemporises a tale about an imaginary king that never lived, a king with an ordinary, everyday name, like Arthur.

The action all takes place in forest or in field, set for us by Martin Johns. There is little chance for acting, but Michael Bryant, in a few minutes only, gives a most memorable portrait of Julius Caesar. His staff historian is called Asinus, which I hope is not meant as a reflection on the *Commentaries*.

Stephen Moore plays the SAS officer, but the part is written with such total ignorance of how such a man would behave that there is nothing he can do with it. The legend of the non-existent King Arthur is attractively told by John Normington, who earlier in the evening is one of the Irish peddlers. There are some magnificent dogs — Irish wolfhounds, are they? — who behave impeccably.

The director is Michael Bogdanov.

Michael Bryant Leonard Burt

Arabella

BY RONALD CRICHTON

It has fallen, not inappropriately, to the English National Opera to stage the first English *Arabella* in Britain. Strauss's opera, once pooh-poohed as a "second brewing of the *Rosenkavalier* tea-leaves," has long been popular at Covent Garden in the original German of Hofmannsthal. Now a larger audience may understand the ins and outs and nuances of a complicated comedy in the translation of Robert Gutman, which goes pretty well in the first and third acts, less so in the second—and in saying this one doesn't underrate the difficulty of translating Hofmannsthal at his most idiomatic.

Understanding, all the same, may be partial. The excellent Zdenka of Norma Burrowes has no difficulty whatever—even when her back is turned, the words come over. Miss Burrowes sings with clear, strong radiance, looks the girl-disguised-as-boy to perfection and manages the switch back to her true sex with the greatest discretion. Harold Blackburn's Count Waldner is another clear one. So for the most part is Graham Clark, slightly miscast (he is physically too slight) as the ardent but obtuse young officer, Matteo.

Among those who are only partly word-clear is, unfortunately, Josephine Barstow in the title-role—and it must be said immediately that this is the only flaw in another lovely performance by this most gifted, idiosyncratic artist. Not only does Miss Barstow look extremely distinguished (crinolines and parted hair suit her wonderfully well) but her singing was exquisitely and subtly musical. When she settles even deeper into the role greater clarity may come. It isn't the big lyrical moments that need care so much as the conversational passages which carry the story.

The Mandryka, Arabella's conquering if faltering wooer from the bear-haunted forests further down the Danube, is Peter Glossop. Good Mandrykas come quite as seldom as good Arabellas. The role needs a touch of unpredictability and mystery (not deep mystery but a sort of tangible physical strangeness). This one was not strange but strong, decent and very likeable in a rough, burly way. Mr. Glossop's singing had many good stretches and a few tired ones, but except when Strauss's orchestral exuberance took the usual toll, he did justice to the text.

This exuberance, in fact, was for the most part unusually well controlled by Mr. Elder, who gave a most interesting reading of the score — transparent, sometimes subdued but never nerveless, with darker colours than one usually finds here. Some scenes (Waldner and Mandryka in act one, and some pages towards the end of act 2) felt slow, but that may have been the absence of the weightier German language — English needs to go a little more quickly. In the prelude to the third act, which can seem a pale shadow of *Rosenkavalier*, conductor and orchestra let rip to thrilling and revealing effect.

What is so far lacking in this production is a sense of atmosphere. It should of course be mid-century Viennese but almost anything would be better than the present anonymity. Patrick Robertson, who recently designed such a good central European set for *The Servants* at Cardiff, has given the Waldner's sitting-room a deadly sanitised dinginess (seedy their hotel may be but cosy it should be too) and has provided operetta setting for the middle act from which Dr. Miller has puritanically withheld operetta treatment — the entrance of the Fiakermilli, brightly sung by Marilyn Hill Smith, goes for next to nothing.

The third act, with the staircase down which Arabella walks with the symbolic glass of water (and how beautifully Miss Barstow does this) is better but its origin in the previous set is too obvious. Dr. Miller is a serious opera producer admirably free of unmusical gimmickry but he seems to mistrust visual pleasure like the plague.

JOSEPHINE BARSTOW as Arabella

Mahler's Seventh

BY DAVID MURRAY

It needs no special sophistication to recognise that the Seventh Symphony of Mahler is a singularly unconvincing whole; it would take sophistication of quite a remarkable order (which this writer lacks) to perceive it as succeeding on some esoteric level. It is Mahler's fault that we expect it to make a developing whole, of course, since all his other symphonies do that so confidently. Even the Finale of the Fifth Symphony—for my money, the least persuative movement of any of those—shows perfectly clear intentions within the dramatic sequence of that work, whereas the whooping, chugging Rondo-Finale of the Seventh seems to belong to a different and less interesting world than the rest.

A rare virtue of Klaus Tennstedt's performance with the London Philharmonic on Thursday at the Festival Hall was that if he shares such reservations about the work, he gave absolutely no sign of it. The Symphony was accorded the whole concert to itself, and every movement was played to the hilt, from the melancholy howls and fractured marches of the first through the strangely assorted tones of the middle movements to the lumpish Finale. Each of the episodes of the latter was characterised by vigorous strokes and eager sympathy: if it made no more sense as a conclusion than it ever does, it sounded rumbustiously substantial beyond conventional efforts to put a bold face on it, and for once its folksiest excursions had a purposeful stride.

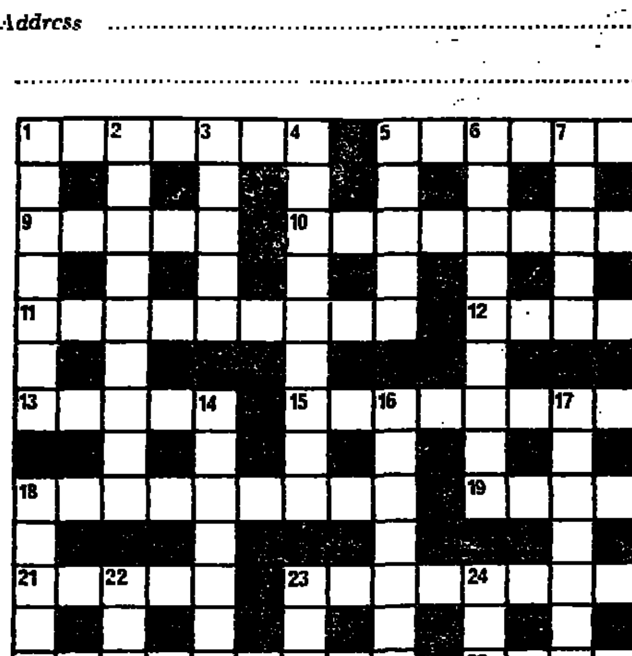
One might have counted upon Tennstedt for that, and indeed he offered distinctive insights over the whole puzzling range of the music. Instead of theatrical shivers in the *Schattenhaft* Scherzo there were raw barks and abrupt snarls, as if emitted by a baleful mechanism; the second *Nachtmusik* was coolly poignant, surrendering nothing to easy sentiment. The LPO was loyally responsive, though the convuluted brass solos were less than ideally steady. Perhaps only Tennstedt's violent physical involvement in the performance betrayed any anxiety about whether it could all be made to work. At the very least, the dislocated rewards of the Symphony—and they are considerable—were celebrated as vividly as could be. If the experiments of the Seventh were a precondition for the revelations of the last Mahler symphonies, it deserves all Tennstedt's dedicated attentions.

F.T. CROSSWORD PUZZLE No. 4,403

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



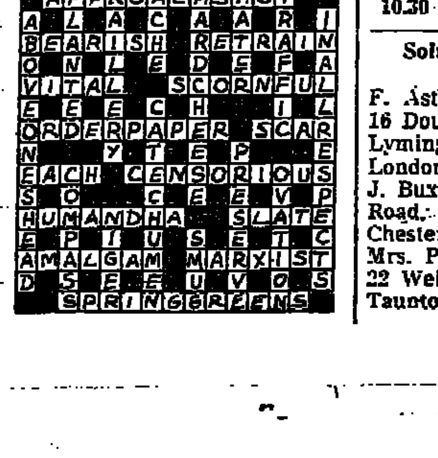
ACROSS

1 Wrongly claimed a point (7)
5 Stone right for a sole repairer (7)
9 Gather and learn bit by bit (5)
10 Just a little drop but it's a deficit (9)
11 Appropriate teams may be partial (4, 5)
12 Unusually special daily edition (5)
13 Get to know pasture before sailors (5)
15 Cutting ditch with worker (9)
18 Cooks joint in vessel (9)
19 Throw mine in front of church (5)
21 Sending out children (5)
23 Scattering pellets could make wine producers very warm (9)
25 In favour of proposal, for advancement (9)
26 Reconcile on or after midnight (5)
27 Repair tyre but walk on again (7)
28 Retire to a place of seclusion (7)

DOWN

1 Fingered a piano key (7)
2 Stop ship's officer ending game on board (9)
3 Without a deficiency (5)
4 Former obstacle may be the final defensive position (4-5)
5 Go to one side from the other in game lost by collusion (5)
6 Plant making flatter vessel (9)
7 Relied on thin team leader . . . (5)
8 . . . being trustworthy (7)
14 Most important naval lieutenant (6, 3)
16 Interpreter without obvious word of hesitation (9)
17 H.B.I.? It's a cut above the bottom! (9)
18 Undergarment for each runner on snow (7)
20 Uncomfortable situation in ardent constituency (3, 4)
22 Make off with speed taking bird from the south (5)
23 Wear down Pole in network (5)
24 Former turn that is precise (5)

Solution to Puzzle No. 4,402



Solution and Winners of Puzzle No. 4,397

F. Astley, 16 Doulton Mews, Lymington Road, London, NW6.
J. Buxton, 71 Troughbrook Road, Hollingwood, Chesterfield, Derbyshire.
Mrs. P. A. Winterborne, 22 Wellington New Road, Taunton, Somerset.

TV/Radio

† Indicates programme in black and white

BBC 1

9.05 am Better Badminton. 9.30 Multi-coloured Swap Shop. 12.27 pm Weather.
12.30 Grandstand: Football Focus (12.35); Boxing from the Royal Albert Hall (1.05); Racing from Bangor-on-Dee (1.20, 1.50, 2.20); Darts from Jollees Club, Stoke-on-Trent (1.40, 2.10, 2.40); Rugby League from Wigan, Great Britain v New Zealand (2.55, 3.50); 3.40 Sports Round-up; 4.40 Final Score.
5.15 The Basil Brush Show.
5.45 Doctor Who.
6.05 News.
6.15 Sport/Regional News.
6.20 Larry Grayson's Generation Game.
7.15 Juliet Bravo.
8.05 The Paul Daniels Magic Show.
8.45 News and Sport.
9.00 The Saturday Film: "The Taking of Pelham 123," starring Walter Matthau, and Robert Shaw.
10.40 Parkinson.
†11.40 Phil Silvers as Sergeant Bilko.

All Regions as BBC1 except as follows:—

BBC Cymru/Wales—8.25 am Better Badminton. 8.50-9.30 Crackerjack. 6.15-6.20 pm Sports News Wales. 12.05 am News and Weather for Wales.

Scotland—4.55-5.15 pm Scoreboard (1). 6.15-6.20 Scoreboard (2). 12.05 am News and Weather for Scotland.

Northern Ireland—5.05-5.15 pm Scoreboard. 6.15-6.20 Northern Ireland News: Sport. 12.05 am News and Weather for Northern Ireland.

England—6.15-6.20 pm (South-West only) Saturday Spotlight.

BBC 2

10.35-11.50 am Open University.
2.00 pm Snooker: The State Express World Challenge Cup.
†2.25 Saturday Cinema (1): "Tom Brown's Schooldays," starring John Howard Davies, Robert Newton.
4.00 Adventure Game.
†4.30 Saturday Cinema (2): "Oliver Twist," starring Alec Guinness, John Howard Davies.
6.20 Snooker: State Express World Challenge Cup.
7.00 News and Sport.
7.15 Rugby Special: Cardiff v The All Blacks.
8.05 "Countess Mariza."
9.50 Climb Every Mountain or Nothing Succeeds Like Failure.
10.30 News On 2.
10.40 Snooker highlights.
11.40 The Old Grey Whistle Test.

BBC2 Northern Ireland Only—1.35-2.00 pm Tomorrow's World.

LONDON

8.35 am Sesame Street. 9.35 Chopper Squad. 10.30 Tiswas.
12.30 pm World of Sport: 12.35 On The Ball; 1.00 International Sports Special (Part 1) American Football from San Diego; 1.15 News; 1.20 The ITV Six—1.30, 2.00 and 2.40 from Kempton; 1.45, 2.25 and 3.00 from Newmarket; 3.10 International Sports Special (Part 2) Moto Cross—Yamaha International Masters from Halstead, Essex; 3.50 Half-time Soccer Round-up; 4.00 Wrestling; 4.50 Results Service.
5.05 News.
5.15 Metal Mickey.
5.45 Buck Rogers in the 25th Century.
6.45 Up For The Cup.
7.30 "Perfect Friday," starring Ursula Andress, Stanley Baker and David Warner.
9.15 Hammer House of Horror.
10.15 News.
10.30 The Big Match.
11.45 Pro-Celebrity Snooker.
12.30 am Close: Personal choice with Lord Denning.

All IBA Regions as London except at the following times:—

ANGLIA

9.30 am The Beachcombers. 9.55 Rocket Robin Hood. 10.15 Mystery Island. 10.30 pm Match of the Week. 11.30 Paris. 12.30 am The Late Debate.

ATV

9.10 am Juggernaut. 9.35 Save It. 10.00 The Adventures of Black Beauty. 10.30 pm Star Soccer: highlights of three top matches including a major first division match from the Midlands. 11.45 The Late Movie: "Portrait of a Stripper."

BORDER

9.30 am Save It. 10.00 Call it Macaroni. 10.30 pm Shoot. 11.40 WKRP in Cincinnati.

CHANNEL

5.14 pm Puffin's Pla(i)ce. 11.45 Target Bowls. 12.00 Next Step Beyond.

GRAMPIAN

9.30 am Spiderman. 10.00 The Adventures of Black Beauty. 10.30 pm Scotsport. 11.30 Baretta. 12.25 am Reflections. 12.30 Seachd Laithean.

GRANADA

9.30 am A Big Country. 10.00 Cartoon. 10.05 Batman. 10.30 pm Match Night. 11.45 The Hollywood Thriller: Rita Hayworth in "Affair in Trinidad."

HTV

9.10 am Save It. 9.35 Beachcombers. 10.00 The Undersea Adventures of Captain Nemo. 10.05 Batman. 5.13 pm HTV News, Report Sports Headlines. 11.45 Paris.

HTV Cymru/Wales—As HTV West except: 5.15-5.45 pm Ras Sgwar.

SCOTTISH

9.45 am Coir Cer. 9.40 Charlie's Angels. 7.30 pm Feature Film: "Powderkeg," starring Rod Taylor and Fernando Lamas. 10.30 Scotsport. 11.30 Late Call. 11.35 Quincy.

SOUTHERN

9.00 am Sesame Street. 10.00 The Adventures of Black Beauty. 10.27 Regional Weather Forecast. 11.45 pm Southern News. 11.50 Pro-Celebrity Snooker.

TYNE TEES

9.00 am Saturday Shake Up. 9.05 Roman Holiday. 9.30 Saturday Shake Up. 9.40 Saturday Morning Movie: "Earth vs. The Flying Saucers." 11.00 Saturday Shake Up: 11.20 240 Robert. 12.15 pm Saturday Shake Up. 12.25 Check it Out Extra. 5.13 North East News. 10.30 Shoot. 11.45 Have Girls Will Travel. 12.40 am Three's Company.

ULSTER

9.35 am A Big Country. 10.00 Bailey's Bird. 10.25 The Bubblies. 10.30 Tarzan. 11.20 Cartoon Time. 11.30 Sesame Street. 5.00 pm Sports Results. 5.13 Ulster News. 11.45 WKRP in Cincinnati. 12.15 am Bedtime.

WESTWARD

†9.30 am Laurel and Hardy in: "Bacon Grabbers." 9.55 Look and See. 10.00 Spiderman. 10.25 Gus Honeybun's Birthdays. 12.27 pm Westward News. 5.14 Westward News and Scoreline. 11.45 The West Tonight. 12.00 Next Step Beyond. 12.25 am Faith for Life. 12.30 West Country Weather and Shipping Forecast.

YORKSHIRE

9.00 am One Step Ahead. 9.25 Spiderman. 9.40 BJ and the Bear. 10.30 pm The Big Game: Derek Dougan introduces highlights from a top local game, plus action from two other big matches. 11.45 The Palace Presents, hosted by Jack Jones.

RADIO 1

(S) Stereophonic broadcast
‡ Medium Wave Only
(b) Binaural broadcast

5.00 am As Radio 2. 7.03 Playground. 8.00 Tony Blackburn with Junior Choice. 10.00 Steve Wright. 1.00 pm Adrian Juste (S). 2.00 A King in New York (S). 2.05 Richard Skinner (S). 4.00-7.30 Rock on Saturday (S).

RADIO 2

5.00 am News Summary. 5.02 Tom Edwards (S). 8.06 David Jacobs with Star Sounds on Record (S). 10.02 Pete Murray's Saturday Show (S). 1.02 pm The News Headlines. 1.30 Sport on 2. 1.30 Football League Special (1.30, 2.15, 2.45, 3.15, 3.30, 3.45, 4.42, 5.00, 5.45); Rugby Union (1.30, 2.00, 2.50, 3.10, 3.25, 3.40, 4.50, 5.25) Cardiff v. The New Zealand All Blacks; Racing from Newmarket (1.30, 2.20, 2.55, 4.50); Rugby League (1.30, 2.10, 3.20, 4.55); First Test between Great Britain and New Zealand. 5.00 Sports Report, including 5.00 Classified Soccer results. 5.25 Rugby round-up, 5.45 Racing results, 5.50 Latecomers' Soccer check. 6.03 Pop Over Europe. 7.02 Beat the Record. 7.30 Big Band Special (S). 8.02 Saturday Night is Gala Night from City Hall, Cardiff with the BBC Concert Orchestra, including during the interval, Cliff Morgan with memories of the Handicapped Olympic Games at Arnhem. 10.02 The Knokke Cup 1980 (S). 10.30 Monaco Radio Contest 1980 (S). 11.02 Sports Desk. 11.10 Bob Kilbey with The Late Show (S), including 12.00 News. 2.02-6.00 am You and the Night and the Music (S).

RADIO 3

7.55 am Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.15 Bandstand (S). 11.45 I Know What I Like (S). 1.00 pm News. 1.05 Early Music Forum (S). 2.00 Play it Again (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 The Organ Works of J. S. Bach (S). 7.15 Joueurs de Flute (S). 7.30 BBC Symphony Orchestra in Leeds, part 1 (S). 8.15 Off the Silk Route. 8.35 BBC Symphony Orchestra, part 2 (S). 9.25 Exile and Kingdom. 10.00 The Classical Guitar (S). 11.00 News. 11.05-11.15 Crusell (S).

VHF ONLY—Open University—7.35-7.55 am.

RADIO 4

6.25 am Shipping Forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather; programme news. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's a Bargain. 7.55 Weather; programme news. 8.00 News. 8.10 Sport on 4. 8.46 Today's Papers. 8.50 Letter from Yorkshire. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 Talking Politics: The Future of the House of Lords. 10.30 Daily Service. 10.45 Pick of the Week. 11.35 From Our Own Correspondent. 12.00 News. 12.02 pm Money Box. 12.27 The Burkiss Way (S). 12.55 Weather; programme news. 1.00 News. 1.10 Any Questions? 1.55 Shipping Forecast. 2.00 News. 2.05 Wildlife. 2.30 Middlemarch (S). 3.25 Join Radio 3. 5.00 Getting Together. 5.25 Week Ending (S). 5.50 Shipping Forecast. 5.55 Weather; programme news. 6.00 News. 6.15 Desert Island Discs. 6.55 Stop the Week with Robert Robinson. 7.35 Baker's Dozen (S). 8.30 Saturday Night Theatre: "The First Flame," by Peter Terson (S). 9.58 Weather. 10.00 News. 10.15 The Ballad of Belle Isle: Documentary about West Yorkshire's working men's clubs (S/B). 11.00 Lighten our Darkness. 11.15 Moonshine . . . On Birds (S). 12.00 News.

BBC Radio London

5.00 am As Radio 2. 7.32 Good Fishing. 8.00 News, weather, traffic, sport. 8.15 Weekend What's On. 8.30 Bob Powel's London Country. 10.03 Stuart Colman's Echoes. 11.30 The Robbie Vincent Show. 2.00 pm Time Off. 3.00 Rail. 4.00 News. 4.02 David Carter and John Toogood. 7.28 News. 7.30 Young Musicians Symphony Orchestra. 10.00-6.00 am Join Radio 2.

TV RATINGS

w/e Oct. 12

UK TOP TWENTY (viewers m)

1	The Morecambe and Wise Show (Thms.)	18.65
2	To The Manor Born (BBC)	18.55
3	Coronation St. (Wed.) (Gran.)	18.20
4	Coronation St. (Mon.) (Gran.)	17.05
5	Keep It In The Family (Thms.)	17.00
6	Cowboys (Thms.)	16.45
7	Give Us A Clue (Thms.)	16.20
8	Larry Grayson's Generation Game (BBC)	15.45
9	Hart Of The Yard (ITV)	15.15
10	Just Liz (Thms.)	15.10
11	Crossroads (Tues.) (ATV)	14.90
12	Crossroads (Wed.) (ATV)	14.80
12	Blankety Blank (BBC)	14.80
14	Mastermind (BBC)	14.60
15	Juliet Bravo (BBC)	14.20
16	Terry And June (BBC)	13.80
17	The Paul Daniels Magic Show (BBC)	13.65
18	Play Your Cards Right (LWT)	13.55
19	The Gentle Touch (LWT)	13.45
20	Hammer House Of Horror (ATV)	13.35

Figures prepared by Audits of Great Britain for the Joint Industry Committee for Television Advertising Research (JICTAR).

U.S. TOP TEN (Nielsen ratings)

1	National League Championship (baseball) (ABC)	27.8
2	Real People (comical documentary) (NBC)	24.8
3	NBC Thursday Night Movie—Beulah Land (Part III)	24.4
4	Dukes of Hazzard (comedy) (CBS)	24.0
5	60 Minutes (news) (CBS)	23.4
6	NBC Movie of the Week—Beulah Land (Part II)	23.2
7	NBC Movie of the Week—Beulah Land (Part I)	22.0
8	American League Championship (baseball) (ABC)	21.9
9	National League Championship (baseball) (ABC)	21.7
10	That's Incredible (human interest) (ABC)	21.6

CHESS SOLUTIONS

Solution to Position No. 342

1 Q-Q8 ch (not 1 R-Q8 ch, K-R2), K-R2; 2 RxP ch, PxR; 3 R-R6 ch, KxR; 4 Q-B6 ch, K-R2 5 Q-N7 mate.

Solution to Problem No. 342

1 B-N7 (threat 2 Q-Q4), N (Q4)-K6; 2 Q-B4, or if N (Q4) other; 2 N-B6, or if N (B5)-K6; 2 N-N5, or if N (B5) other; 2 R-K5, or if B-K6; 2 Q-B5.

ENTERTAINMENT GUIDE

HOW TO SPEND IT

by Lucia van der Post

For ever green

IF YOU'VE ever watched despairingly and helplessly as your carefully tended houseplants died one by one, if you know your fingers aren't even slightly green and yet you long to be surrounded by living, healthy growing plants, then a new scientific process has come to your rescue. It doesn't appear to have a name but what it means in practice is that you can now buy real green plants that need never die. They require no watering, no maintenance beyond the odd dusting, are guaranteed for 12 months and have a life expectancy of at least 10 years.

I don't begin to understand how it all works but it was explained to me thus—"When plants and trees reach a perfect stage of growth they are treated in climatised laboratories where the roots absorb a special formula through an osmosis system. This preserves the living structure of the plant for a minimum of 10 years. At the end of the treatment the plant retains its natural colour, texture and fragrance."

If all that sounds much too good to be true, here's the bad news—the price. They are expensive—smallish plants and trees, like a 4 ft fir tree or a 3 ft palm, cost about £60 and the prices range upwards to £120 for a 7 ft palm.

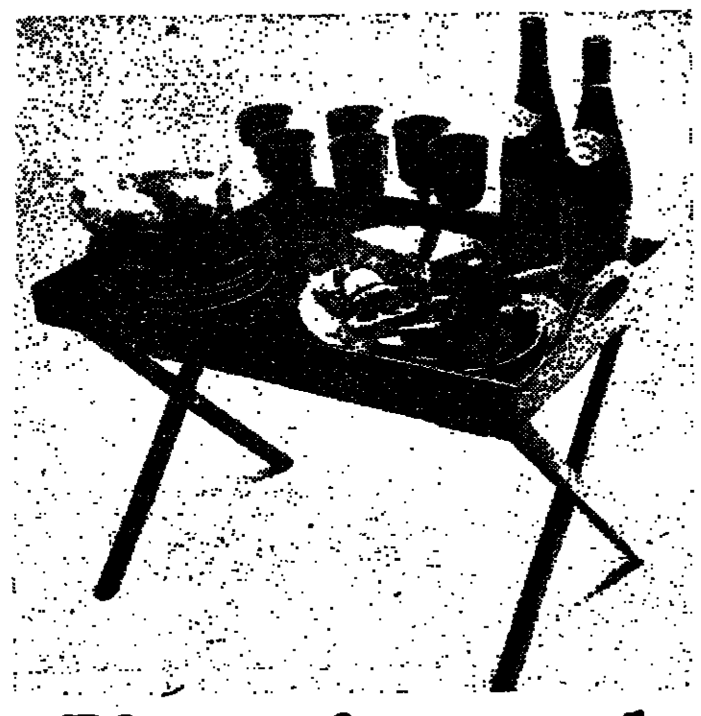
The plants are for indoor use only and should be kept in normal room temperatures but they don't need light. See them now at Albright and King, 33/34 H. R. House, 447 High Road, London N12 and also at The Danish House, 16 Sloane Street, London SW1.

Sew many more

MOST readers will know by now of Glorafilia, the company run by two young women, Carole Lazarus and Jennifer Berman, that specialises in distinctive and charming tapestry and needlework kits. I was one of the first (if not the very first) to feature their early tapestry designs and through the years I've followed their progress.

Basically Glorafilia has become a success, selling kits all over the world, because it has found a particularly desirable combination of individual charm and reasonable prices.

Now Glorafilia has brought out a colour leaflet which features not only traditional designs, but also a Christmas stocking, a Victorian doll, a tennis racket cover and, shown above, a brick doorstop cover, a mirror frame and a flower basket cushion, all of which can be worked in time for Christmas if you hurry. For the leaflet write, enclosing a 10p stamp, to: Glorafilia, 10 Winterstoke Gardens, London NW7.



Dinner is served

ROBIN and Mary Ellis have, like Glorafilia, built up a very successful business over the last few years. In their case they used Robin's skill with wood as the basis for a range of wooden objects which have steadily grown in number and scope. Last year they produced one of their most successful ideas—a series of fine sturdy wood trays, just like the ones that were once found in every solid Victorian bourgeouis family household.

This year they have decided to explore the tray theme even further and have produced what should be the answer for all those addicted to TV dinners, or meals in bed—the butler's tray on legs.

They have taken the basic idea of the plain solid wooden tray with high sides and built-in handles but they can now be bought with one or two pairs of fold-away legs. The first pair of legs raises the tray to a height of 15 ins and they call this version The Family Waiter. The second pair of fold-away legs raises it to 9 ins high and is called The Family Nanny.

The tray is really solid and measures 24 ins by 16 ins. The trays are made from oak, elm or beech protected with three coats of a tough polymer finish to make them stain and heat resistant.

The tray with two pairs of fold-away legs is £30 in oak or elm and £24.50 in beech. With just one pair of legs, either 15 ins or 9 ins high, they are £25 in oak or elm and £19.50 in beech.

For a mail order leaflet and price list write to Robin and Mary Ellis, Linton, Cambridge CB1 1BR.

Postscript

THE knitted jacket devised as an exclusive pattern for us by Sirdar Wools has been immensely popular with readers. Nearly 900 of you have written in for copies but for those who have started or are about to start knitting I regret to have to tell you that there is a small misprint in one row of the instructions. Under the section headed "Back" where the instructions refer to the 1st row (right side): Sl.1 knitwise, *K.1B, p.1; rep. from *, ending with k.13, k.1, the k.13 referred to should read k.1B.

Most experienced knitters, I understand will have perceived the error immediately. I hope the rest of you haven't been too puzzled.

Cracking good food

BY JULIE HAMILTON

Sharon Finmark

THE MOST beautiful and valuable tree in our garden is a walnut. We also have hazel-nut bushes and an almond tree. I hung a swing on the walnut tree and we keep five hunting cats. It is all to no avail. Every year the tree is heavily laden with promising nuts and every year, just before they are ripe enough to pick, grey squirrels clear the crop overnight. They do the same with the hazels.

There are so many things you can do with nuts. Have you tried fried chopped hazel-nuts with butter added to Brussels sprouts? Or crisply fried bits of bacon with chopped hazel-nuts added to buttered noodles for a quick light supper dish?

How about coarsely chopped walnuts tossed in butter with mushrooms as a filling for an omelette? Or walnuts, hazel nuts or almonds added to a stuffing for a bird?

Though most of us are familiar with the various gateaux which can be made with nuts, the savoury nut dishes are not so common, unless you are vegetarian. I do not propose to offer strictly vegetarian dishes, but rather to suggest ways of using nuts that may intrigue you.

Here are two sauces. The first, which is garlic and almond, goes well with fish or chicken.

GARLIC AND ALMOND SAUCE

2 tablespoons blanched almonds; 4 cloves garlic; 3 slices crustless fresh white bread; 4 or 5 tablespoons olive oil; 1 or 2 tablespoons vinegar or lemon; ¼ teaspoon salt.

Place all the ingredients, except the oil and vinegar, in a blender. Process, gradually adding the oil, vinegar or lemon. Serve chilled.

The second recipe is a nut *pesto sauce for spaghetti.*

BRAZIL NUT PESTO

serves 2

24 Brazil nuts; 6 or so fresh *or frozen basil sprigs*; 4 tablespoons olive oil; 4 heaped teaspoons Parmesan; 1 clove garlic; ¼ teaspoon salt; juice of half a lemon.

Pound the dry ingredients together in a mortar or blender, then add the oil and lemon. You can vary this recipe by adding anchovies and omitting the salt. Remember to mix the sauce well with the cooked spaghetti before serving.

SCRAMBLED EGGS AND ALMONDS

serves 2

Here is a supper dish which uses almonds and is quick, easy and different.

1 oz finely flaked almonds; 1 medium-sized onion finely chopped; 4 tablespoons cream; 4 tablespoons of any minced cooked meat; 4 tablespoons stock; 2 oz butter; ¼ teaspoon chilli powder; 4 eggs; salt and pepper to taste; a dash of Tabasco.

Put all the ingredients except the eggs in a frying pan and, stirring constantly over a low heat, cook until browned. It should be moist enough to boil. Add the eggs, lightly beaten, and stir well until cooked to whatever consistency you prefer for scrambled eggs. Serve at once with French bread.

●

Walnuts have many uses and are frequently found in salads. But have you tried walnut oil? It is not easy to find but a really good delicatessen should be able to get it for you. It is strong and should be used sparingly, but it transforms any salad. Try it on tomato salad without using any vinegar. Use it on a plain green salad with a little lemon, salt and pepper. Just sprinkle a few chopped walnuts over it; so simple and so special.

For chicken salad with toasted walnuts, dice cooked breasts of chicken and add some chopped tender bits of celery. Mix together and lay on a crisp lettuce leaf. Sprinkle with salt and a few drops of vinegar. Chop about a dozen walnuts, mix them with salt, pepper and butter and brown them slightly in the oven. Put them in a basin with a little oil and vinegar and more salt and pepper for about one hour, then add them to a mayonnaise and spread over the chicken and *celery.*

WALNUT SOUP

serves 4 to 6

2 oz walnuts; 1 onion; 1 pint chicken stock; 3 sticks celery; ¼ pint milk; 1 oz butter; 2 egg yolks; 1 oz flour; 5 oz cream; salt and pepper to taste.

Blanch the walnuts and remove as much as possible of *the skins, a tedious but worth*while job. Mince the nuts. Heat the milk to boiling point and add it to the peeled, minced nuts. Leave to infuse.

Finely slice the onions and *soften* in the butter, but do not let them colour. Add the flour, stir and add the stock. Chop the celery and add it to the stock and cook for about 15 or 20 minutes. Strain and return to the saucepan, adding the milk and walnuts. Re-heat slowly and thicken by adding the egg yolks lightly beaten with the cream, stirring continuously. Adjust seasoning and serve with croutons.

CHESTNUTS AND CHICKEN

serves 6

¾ lb freshly cooked or whole tinned chestnuts; 1 chicken (approx. 3 lb) cut in 12 or so pieces; 1 large onion; 8 tablespoons soy sauce; 2 table spoons oil; 5 tablespoons dry sherry; honey

Fry the onion, thinly sliced, with the chicken in the oil, stirring all the time for seven or eight minutes. Transfer to a casserole and add a third of a pint of cold water and the soy sauce. Put on the lid and cook in the centre of the oven at gas mark 4 (350F) for approximately 35 minutes. Now add the sugar and sherry, mix in well and cook for a further 15 minutes. Then add the chestnuts, turning the contents of the casserole over several times, and cook for a further 20 minutes. Serve with rice and green salad.

●

When it comes to puddings, nuts really come into their own.

Pizza Figliata is a delicious pastry with nuts and honey. Chop walnuts, hazel-nuts and Brazil nuts. Roll out some short-crush pastry, very thinly, into an oblong. Brush it with honey and strew the nuts over it, adding a little candied peel. Roll up and twist into a spiral shape. Bake in a moderate *oven for about 30 minutes until* golden. Serve with cream.

When making a fruit crumble, try adding chopped walnuts, or hazel-nuts or almonds or Brazils to the crumble mixture.

HAZEL-NUT (OR ALMOND) SOUFFLE

serves 6

This cold soufflé can be made *with* almonds or hazel-nuts and is ideal for a dinner party dessert. It needs to be chilled for at least four hours.

6 oz whole hazel-nuts (or unblanched almonds); 7 oz caster sugar; *3* large eggs; scant ¾ pint milk; ½ vanilla pod; ½ oz gelatine; ½ pint double cream; 1 tablespoon icing sugar; 2 *oz* digestive biscuits

With a pointed knife, halve 4 oz of the nuts. Put 4 oz of the sugar and 2 tablespoons of water in a pan. Cook over a low heat until the sugar dissolves then bring it to the boil *without stirring.* Let it *cook* until it turns golden brown.

Add the halved nuts, stir well then spread the mixture on Bakewell or buttered grease-proof paper. When cold, put it in a food processor and grind it to a fine powder. Set on one side. Heat the milk to boiling point with the vanilla pod and sugar. Separate the eggs and pour the milk over the yolks, beating vigorously all the time. Place this custard in a bain-marie and stir continuously until it thickens a bit. Remove from heat and take out the vanilla pod. Add the gelatine which you have dissolved in *four tablespoons of hot water,* stir and strain into a bowl and leave to cool. When cool but not set, whip the cream with the icing sugar and fold it in with the crushed nut mixture.

Whip the egg whites until stiff but moist and very gently fold them in too. Prepare a one-pint soufflé dish by tying tin foil or Bakewell paper round the outside so that it stands at least one inch above the rim of the dish. Pour in the soufflé mixture and chill for at least four hours. Before serving, blanch then lightly brown the remaining nuts in the oven or under the grill. Crush them fairly finely with the digestive biscuits. Remove the paper or foil and cover the exposed top and sides of the soufflé with the crushed nuts and biscuit mixture, gently pressing it into the sides.

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Close of a chapter

WHEN those in charge most resolutely pretend that nothing has happened, the observer may be sure that something is going on, and during the last week both the Government and the Labour Party have been indulging in this innocent deception Mr. James Callaghan resigned from his brief but eventful leadership of the Labour Party as if he was simply carrying out a long-nurtured plan for his own leisure; in fact he has, by his timing, effectively invited Labour MPs to ignore the "decisions" (the result of a muddled vote) at Blackpool, and reassert their political primacy in the movement.

A new tune

The sporting money is convinced that the result will be that Mr. Healey will win the succession, which would indeed be likely to bring new ideas and a new energy to the Opposition: this prospect may have done a little to reinforce a quiet but notable change of tone in the Government.

Despite all the protestations of unwavering resolution, the Ministers who have been driving from engagement to engagement in Austin Metros, praising British goods and then confessing that it is the public sector which has so far failed to respond to their policies are singing a new tune.

The hectoring tone is gone: instead of lectures on economic reality, we hear hopes of an autumn of reasonableness. When the Governor of the Bank of England, sounding rather unlike the chastened figure imagined in the City since July, blames excessive Government borrowing for excessive monetary growth, the Chancellor seems to agree. Austerity begins at home.

Changes of tone are not sudden, of course, and the new ideas which these attitudes express have been growing for some time. There have been two strong reasons for a rethink. First, it is now clear that the UK recession is far deeper than was expected or intended when the Government laid down its monetary targets. A policy aimed at shaking out some of the least efficient parts of UK industry was never intended, for example, to drive ICI out of the fibre business.

Better times

Covert industrial intervention, now reinforced by clear hints from the Chancellor and the Governor that sterling can come down as well as go up once policies are better balanced, are part of a mounting campaign to encourage industry to plan for somewhat better times.

The Government has made its pointabout wages, and is beginning to square up to the problems of recession. Mr. Harold Macmillan should be pleased.

What may have reinforced the education of events is the post-mortem on the July-August monetary explosion which has occupied so much high Ministerial attention in recent weeks. This appears to have started as something of a witch-hunt, aimed to unmask technical bungling. But further examination — including, perhaps, an account of how the excessive Government borrowing of this summer would have been handled under a tighter system of short-term monetary control — has turned attention back to the underlying realities of inconsistent fiscal and monetary policy. The determination which has been growing all summer to impose a very moderate wage round on the public sector now begins to sound like a battle-cry; not before time.

There is an irony here. The encouraging side of recent news—the abatement of both inflation and more tentatively of wage settlements—is partly due to the Government's mistakes. Interest rates, the exchange rate and indeed the squeeze on the private sector through local rates and public sector prices has been greatly intensified by the unchecked rise in public sector costs and borrowing.

Intensity

It is the dreadful intensity of the resultant squeeze which has frightened wage-bargainers into reasonableness at about the same time as it has frightened Ministers into re-examining their own conduct.

When the final accounts are in, it will be interesting to assess how far this inadvertent short-sharp shock has been the right medicine after all. But everything suggests that the Government will try to achieve a much more measured and tolerable pressure from now on: a chapter appears to be closed. If the first was called "monetarism," the new one might be called "fiscal responsibility."

Meanwhile, events overseas seem to conspire to reinforce the lessons being learned at home. What now appears the probable fate of Mr. Malcolm Fraser's Liberal administration in Australia is a reminder that popular opinion will only swallow market economics in measured doses.

In the U.S., the Government seems fated to repeat some of our own mistakes. Mr. Carter has allowed his fiscal grip to slip in an election year, with the result that a tentative recovery in output is already provoking a rise in interest rates which both he and the chairman of the Federal Reserve, Mr. Paul Volcker, deplore.

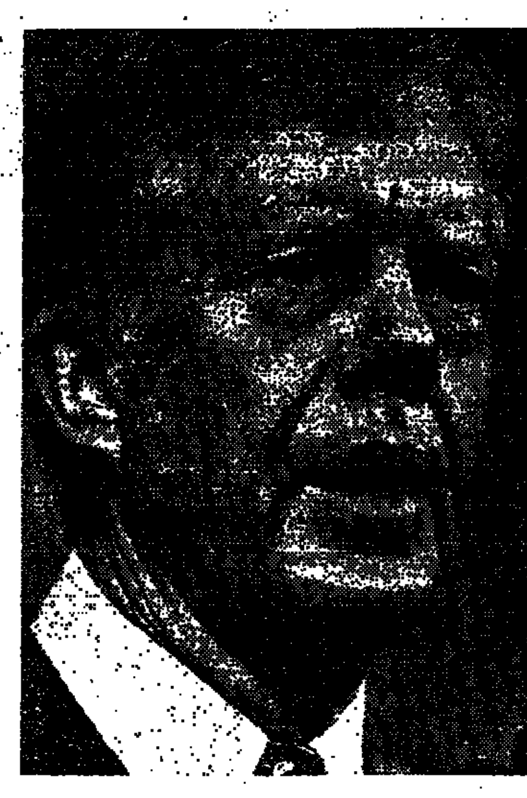
Mr. Carter, in response, has started to make some of Mr. Reagan's rash campaign promises, which seem to combine higher spending and lower taxes with a promise of a balanced budget, into an election issue.

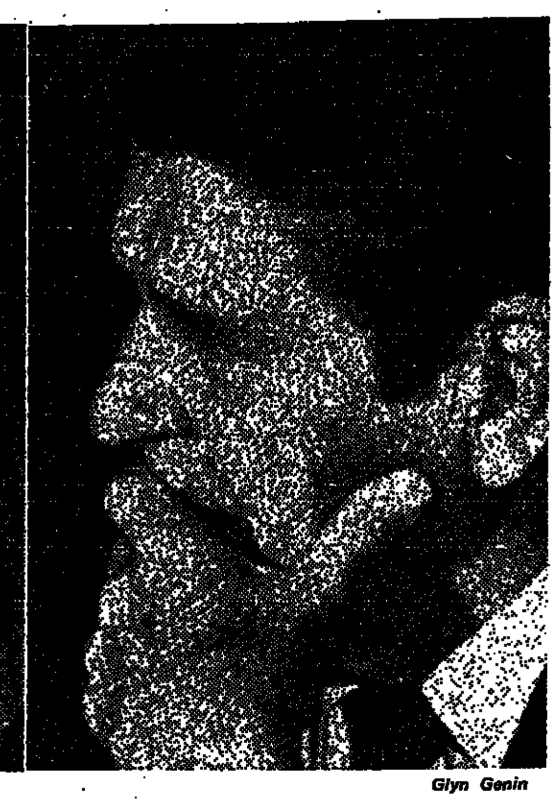
If U.S. voters respond to this message, then the era of fiscal responsibility has, indeed, dawned.

BEHIND THE CAMPAIGNS

Onward, Electric Churchmen!

JUREK MARTIN reports from New York on the increasing roles of God and Mammon in the battle for the U.S. Presidency.





Glyn Genin

VISITORS to the United States who are familiar with the distinctive blend of fundamentalist religion and fervent anti-Communism that crackles out from funny country radio stations would not recognise the modern successors of the old evangelists.

The new clerics describe themselves as "electric churchmen." They have entered the television age with a patina as smooth as anything offered by secular broadcasting, an undoubted ability to raise large sums of money, and a potential political power that has many very worried.

Indeed the rise of the evangelical Christian right is the great phenomenon of the 1980 political scene. The political and financial clout of the new evangelicals is formidable. And their existence injects a somewhat bizarre ingredient into the campaign.

The Rev. Jerry Falwell, for example, is no longer a humble vicar from the backwoods town of Lynchburg, Virginia. He heads The Moral Majority, an overtly political lobby, with more than 400,000 members, founded only in 1978, but which in its first year raised $1.5m to disburse on political goals.

His main pastoral vehicle, *The Old Time Gospel Hour*, goes out each week on more U.S. TV stations than *Dallas*, reaches as many as 30m households, and generates as much as $1m in contributions each time it goes on the air. A couple of other religious TV programmes, also with political connections, claim comparable figures.

Thus, Lynchburg is now graced with the Rev. Falwell's own Bible college, and he has become a national figure—addressing the National Press Club in Washington only last Thursday and conferring with Ronald Reagan, whom he has endorsed, just three weeks ago. His is the best known name on the political wing of the evangelical right, which already claims some notable liberal scalps.

Senator Dick Clark from Iowa, for example, was beaten in 1978 by the anti-abortion forces, which The Moral Majority backed. This summer, Mr. Jim Buchanan, the long-serving moderate Republican from Birmingham, Alabama, lost his seat to an ultra-conservative backed to the hilt by The Moral Majority.

At this stage, as far as can be gleaned, the financial power of the Christian right, though growing, matters less than its ability to raise volunteer manpower, and to transmit political beliefs via the electric pulpit. Nonetheless, some prominent Americans, including Mr. John Anderson, the independent candidate for the Presidency, have suggested that the tax-exempt status which the churches enjoy on the grounds that they are "non-political" may be being violated.

The best estimates are that the Christian right will raise and spend about $4m in recordable funds on political causes this year, though Democratic liberals claim that the real worth of their efforts is many times this amount. Money will be carefully spent, mainly in races where liberal Democrats appear vulnerable. Iowa, where Senator John Culver is up for re-election, is again a target, for example.

The issues close to The Moral Majority's heart are not just the traditional ones of prayer in the schools and the need for national spiritual rebirth; rather, they run to opposition to abortion, homosexuality and Darwin's evolutionary theories, and support for a strong defence, a balanced budget, tax cuts and, in some cases, even a return to the gold standard. Almost without exception the issues are the bedrock of Republican conservatism.

There is also, of course, some practical political linkage between the new and old churches. In spite of Pope John Paul's stricture that priests should not hold elective offices — which forced Congressman Robert Drinan, the Massachusetts Democrat, to resign—the Catholic Church is fighting hard on the issue of abortion, and on the same side as the evangelicals.

Only last month Cardinal Medeiros of Boston specifically suggested in a pastoral letter that his parishioners oppose two Democratic Congressional candidates because they refused to condemn abortion. Interestingly, both won.

There is much debate both on the ethics and on the seriousness of the threat on the Christian right and whether or not it is out of line with the non-political traditions associated with American religious organisations.

President Carter, a born-again Baptist himself — and one who will, according to the polls, win more evangelical votes than Mr. Reagan and Mr. Anderson, who are also born-again — has already taken to disapproving of the Rev. Falwell and his cohorts.

Other, less involved analysts feel that a backlash may exist outside the expanding Bible belt against Mr. Reagan's close association with the Christian right. Mr. Carter sought to exploit this in his notorious remark that a Reagan Presidency would set, inter alia, "Jew against Christian."

The Rev. Falwell, propagandist of the theory that God does not listen to the prayers of Jews, this week recanted, after a conversation with a rabbi, and agreed that the Lord's ears were open.

At the same time, the Christian right has been embarrassed because one of its most effective allies in Congress, Mr. Robert Bauman, the Maryland Republican, has acknowledged in a public Press conference that he has homosexual tendencies.

But if there is one thing which unites the politicians and the evangelical right, it is financial acumen. The profitability of the electric churchmen is not in doubt. Their political acumen will be tested on November 4.

The multi-million dollar struggle for votes

THE 1980 American campaign is, inevitably, the most expensive ever. It is also the most financially complex.

The Federal Government now provides funds for Presidential elections (though not Congressional races) and puts limits on campaign contributions. The present system, first used in the 1976 election, was designed to bring order and equity out of chaos and imbalance.

It may in fact have produced neither, but led instead to infinite fragmentation and still more controversy over who gives what to whom and for what purpose.

Money has always been a veritable mother's milk for American politicians and on the surface the Federal funding system is straightforward. Each major party Presidential candidate is entitled to $29.4m in campaign funding from the U.S. Treasury. (In 1976 the candidates got $21.4m and the increase is supposed to reflect inflation although they insist it does not).

Major Presidential candidates may also receive up to $4.6m from their respective parties. Overall their campaigns may not spend more than $34m.

Independent candidates, such as John Anderson, or fringe party contenders, like Ed Clark, the Libertarian, get no Federal money. But if they gain more than 5 per cent of the popular vote in the general election, they receive partial reimbursement from the Treasury.

Mr. Anderson has found he cannot even borrow from the bank against this future collateral, and is running way behind his goal of raising about half what Mr. Carter and Mr. Reagan get as a basic entitlement. As of last week, he had attracted only $6m, was $900,000 in debt already, and could not afford television advertising.

But the $34m is only the tip of the iceberg. Both Mr. Carter and Mr. Reagan receive considerable, if technically indirect, assistance from the Democratic and Republican Parties, on top of the $4.6m payment. State parties may offer all sorts of logistic support for the Presidential candidates, in the shape of telephone banks, for example, so long as it stops short of overt advertising.

Here Mr. Reagan enjoys the advantage. Estimates vary wildly, but the Republican war chest of $25m to $30m far exceeds the Democrats' $4m to $6m. The Democratic Party is still saddled with nearly $1m of the $9.3m debt left over from Hubert Humphrey's campaign in 1968. It has, of course, always found it harder to raise money, particularly this year, since organised labour is both less enthusiastic and less effective a political and fund-raising force.

The Republicans, sensing a political revival, are flush with funds. Party money, of course, is spread around Congressional candidates as well, but such is the cross-fertilisation between Presidential and Congressional efforts that what benefits one should help the other.

Both major campaigns reckon they will spend between $16m and $18m of their official entitlement on television advertising. But this does not prevent their parties—and what are known as "independent expenditure groups"—from engaging in separate advertising.

Thus, the Republican National Committee budgeted $5m this year for a special campaign under the theme "Vote Republican for a change," which has been a constant feature of the airways. The lower Democratic resources have been concentrated on voter registration drives.

But this is nothing like the complete political picture, given the intertwining of Presidential and Congressional contests. It costs an average of more than $1m to run a campaign for the Senate, and nearly $250,000 for a House seat—in both instances 40 per cent more than in the 1978 mid-term elections. This escalation has occurred when, though spending may be unlimited in Congressional contests, individual contributions are normally restricted to $1,000 per person.

The best way candidates have found to keep the money flowing in the required volume is through what are known as political action committees. A PAC may take as much as $5,000 in contributions from individuals, lump the receipts together, and distribute them among assorted candidates. The phenomenon of 1980 is that this device, initially the favoured tool of the trade union movement, has been adopted with a vengeance by corporations and business associations.

Oddly enough, the explosion in corporate PACs does not appear to be favouring the Republican Party, with its ties to business, as might be expected. The biggest recipients of funds from businesses have been senior Democrats, like Birch Bayh from Indiana, or Alan Cranston from California, on whose right side corporations wish to remain. This reflects a practical political sophistication for which the corporate sector is not often given credit.

A recent tabulation by the Federal Election Commission showed that corporate PACs had raised about $7.5m, spread evenly between Democratic and Republican candidates, while labour PACs had raised about $5m, the great majority going to Democratic contenders.

There is, of course, another side to the money game which heavily favours President Carter and the Democrats as incumbents, though it is not recorded as campaign expenditure. This is the ability to tap the Federal purse.

All Presidents indulge in what is known as "pork" before an election, but Mr. Carter has used it more than most. A $100m grant for resettling Cubans, $200m for mass transportation aid to local governments, $150m in urban development funds, all released for the maximum political effect in the right place at the right time, can do wonders—and may have, since all were announced in the last fortnight.

A financial adviser to one of America's biggest cities (he happens to be a Republican) reports that the city treasurer is being bombarded these days with telephone calls from Washington offering Federal money.

The candidates all claim fervently that the money is needed. When 60 seconds of prime-time TV advertising can run to $150,000, two-thirds more than four years ago, when the price of a chartered aircraft has risen four times in the same span, when professional staff work from money as much as devotion, and when more are needed than ever, the bill comes high.

One way or another, it looks as though election 1980 will cost anything from $250m to $300m, in what might be described as orthodox political money, with a sizeable advantage belonging to Mr. Reagan and the Republicans.

As an antidote, it is worth pointing out that one of the reasons that Mr. Charles Vanik, the veteran Democrat from Ohio, decided to retire earlier this year, was his refusal to go out and raise re-election finance and thus incur obligations. His reluctance is hardly surprising; in his last successful race two years ago, Mr. Vanik spent the princely sum of $70.

Letters to the Editor

Efficiency

From the Chief Executive, Somerset County Council

Sir, — I was interested to see the contribution (October 13), from the director of the Centre for Interfirm Comparison to the question of efficiency, comparability studies and measurement of output by local authorities. One can only agree with the main points that "immediate" measurements of output can be used in the absence of final objective criteria and that any investigation into comparative costs worthy of serious consideration requires time, effort and money.

Concerning the use and publication of comparative statistics, albeit in "immediate" output terms, I would claim that local government has been in the forefront; for 30 years to my personal knowledge the annual statistical publication of the Chartered Institute of Public Finance and Accountancy have been avidly received by local government practitioners, performance differences explored in depth and correcting steps taken where the officers or policy makers considered such a response was justified. Every main service is covered in some detail from the component costs of a school meal to the cost per tonne of waste disposal. All these publications are available to the general public and augment our financial and manpower budgets which practically all authorities have published for the past 20 years or more. Is there any other area of economic or social activity with such wealth of published information?

I suspect from articles and letters in your newspaper that even the informed public is not generally aware of the availability of these publications and their objectivity and of the extensive use made of them by local authorities. Their interpretation should always be exercised with caution: that Somerset spends more than some authorities on non-teaching costs in its schools does not denote inefficiency in this area but rather the opposite in that it makes a greater call on clerical assistants and laboratory technicians to allow teachers greater opportunity to concentrate on their prime function.

Incidentally, for 1980-81 Somerset will educate its secondary school children with excellent results at ordinary and advanced level at a cost of about £750 per head.

As fee-paying schools charge about twice this amount, does it mean that Somerset is twice as efficient? I will not press the proposition as I have great respect for both sides, but how local government would be pilloried if the converse obtained!

J. E. Whittaker.
County Hall, Taunton.

Protests

From Mr. C. Birch

Sir,—I noted Mr. R. Wright's comments (October 14) regarding local government spending. He protests too much. The generalisation about which he complains is largely justified: salaries are too high, bureaucracy is rife and no amount of "explanation" will excuse the level of local authority spending over the past few years, notwithstanding inflation.

C. H. Birch.
11 Ainsworth Hall Road, Ainsworth, Bolton.

Securities

From Mr. F. Adams

Sir,—Your correspondent's enquiry about VAT charged by a UK bank on safe custody fees arising in Australia (Finance and the Family October 11) highlights an anomaly in the VAT regulations which H.M. Customs and Excise seems unwilling to resolve.

If a private individual in the UK, not being a VAT registered trader, has securities held directly to his order by an overseas bank, he will not suffer VAT on charges levied by the custodian bank. When the securities are held abroad to the order of a UK bank, the VAT position depends upon the manner in which they are deposited. H.M. Customs and Excise has ruled that where such securities are lodged with an overseas bank in a separate sub-dossier, so that any charge arising thereon is immediately identifiable as attributable to the beneficial owner, the UK bank is deemed acting as the agent of its customer and may pass on the overseas bank's charge to him without assessment for VAT. In many cases, however, securities are held in the UK bank's general dossier, giving rise to an overall safe custody charge, which the bank has to apportion between its customers who own the securities. In these circumstances, H.M. Customs and Excise regards the UK bank as a principal for whom the overseas bank is providing a taxable service and requires the former to account for VAT on the charge raised abroad.

On the face of it, there seems to be an advantage to a UK resident in having his overseas securities held in a separate dossier, but it must be remembered that a desposit containing only a small number of shares may attract a substantial minimum safe custody charge, which may outweigh the saving on VAT.

F. J. Adams.
16, Sunny Bank, Epsom, Surrey.

Pitfall

From Mr. C. Rope

Sir, — Your headline of October 10 reads "Premier Oilfields to keep CPR stake below 30 per cent."

How many readers immediately wondered how Premier Consolidated Oilfields could possibly be large enough to acquire anything like 30 per cent of Canadian Pacific? Albeit the railroad company (incorporated in February 1881) dropped the "Railway" from its name some nine years ago, but many will always think that they know what CPR stands for. The initials are even in my Oxford dictionary.

When Hopkins rashly suggested (in Black Peter) that CPR were the initials of a broker's client, Holmes soon put him right. And then Holmes's solution of the case depended on recognising that the initials on the tobacco pouch were not those of Black Peter but of his murderer.

This is a lesson that initials should be used with some care and that Cambridge Petroleum Royalties will have to stay in the limelight for a few years before the famous initials can be used so lightly.

C. M. Rope.
Crag Farm, Boyton, Near Woodbridge, Suffolk

Plutonium

From the National Health and Safety Officer, General and Municipal Workers' Union

Sir,—David Fishlock's touching defence (October 9) of the National Radiological Protection Board via a re-statement of the toxicity of plutonium, demands considered replies by eminent scientists. Meanwhile three points from a union with many members at risk will suffice to illustrate the poverty of Fishlock's arguments.

The 26 Los Alamos workers do not yet provide significant negative findings on plutonium toxicity because they have not been followed through for a long enough period. Even then the sample is ridiculously small. By way of illustration Selikoff followed a large group of heavily exposed asbestos insulation workers for more than 20 years without finding any mesotheliomas. It was only after another 10 years of following up 2,000 cases that the unacceptability high mesothelioma rate showed up.

In 1975 Martell looked at the fate of the 26 Los Alamos workers, found that only 12 had been exposed to inhaled plutonium, and that in the whole group several of them had suffered from heart diseases. On the basis of evidence that inhaled, insoluble alpha-emitters caused atherosclerosis in cigarette smokers, he concluded that "most of the serious medical findings of this group can be attributed to plutonium." We shall wait for the eminent scientists to clarify this point about the nature of plutonium-induced diseases, but it has no bearing on our first and third points.

The independence and integrity of the NRPB will be earned. It cannot be thrust upon them by journalists, and at the moment the NRPB has some way to go. Its only study of radiation workers in 1975 was roundly criticised by leading epidemiologists and the Royal Commission on Environmental Pollution and the Windscale workers are having to be re-examined by university experts, regarded by most concerned as being more independent of the nuclear industry. Other statements of the NRPB have not yet convinced us that it is truly free of the nuclear "passion." For example, they endorse without reservation the latest international commission on radiological protection dose limits when several eminent scientists not only oppose the accompanying relaxation of standards but in some cases endorse the move towards tighter controls, especially for plutonium.

David Gee
Thorne House, Ruxley Ridge, Claygate, Esher, Surrey.

Seasons

From the Passenger Manager (Marketing), British Railways Board.

Sir, — Mr. G. W. Blake (October 15) is puzzled by the figure of 66 per cent for the average rate paid by British Rail season ticket holders in comparison with full fares (as quoted in the Monopolies and Mergers Commission's report) and deduces that BR must assume commuters to work 252 days per year.

As our published accounts for 1979 make clear we assume an average of 240 return journeys per year on an annual season ticket, taking into account leisure journeys and a small amount of Saturday commuting. On this basis the average rate paid per mile by full fare ticket holders is 5.05p, and for season ticket holders is 3.43p or 68 per cent of the full fare level. The figure of 66 per cent provided to the Monopolies Commission was for 1978. Further, since these figures include children, senior citizens, students, etc., travelling at half rate adult fares the price discount for commuters is rather greater.

Mr. Blake's comments on interest rates are taken, and indeed allowed for in setting our fares. He overlooks however an even more important factor, namely, that the purchase of an annual season ticket ensures price stability for a year. Thus taking Sutton to London (SR) as an example from November 30 the ordinary return fare will be £2.44 and the annual £410, equating to £1.71 per journey at 240 journey per year or £1.77 using Mr. Blake's figure of 232 journeys. These correspond to 70 per cet and 72 per cent respectively of the full fare price.

Anyone however, buying an annual season valid before November 30 even for just one day, and paying for it by that date pays the current rate of £339 equivalent to £1.41 or £1.46 per day, ie, 58 per cent or 60 per cent of the new full rate.

Mr. Blake's further points about the administrative savings BR derives from season tickets are undeniable, and on this ground alone he may rest assured that we have no intention at all of abolishing season tickets. But it will perhaps be appreciated that the commuter gets a better deal than he imagines, and incidentally one that compares favourably with all other forms of transport to central London; not only on price but also on journey time and frequency of trains which are all important to our daily customers.

P. M. Haydon,
222, Marylebone Road, NW1.

David Tonge reports on why Russia and America are taking space weapons seriously

How Star Wars fiction is almost fact

DEATH RAYS travelling at the speed of light to destroy attacking missiles: beams of charged atomic particles ripping through the atmosphere to cripple satellites; a squadron of battle stations equipped with laser guns circling in space. These are some of the Star Wars visions of the backroom scientist today.

These visions increasingly disturb the defence establishments of both East and West; both appear close to completing development of a laser weapon for use in space. But the Russians could be ahead of the U.S. in the field of the potentially more destructive beams of atomic particles.

The fear is that a breakthrough could upset the calculations on which the strategic balance between the two superpowers is based. A clear technological lead by either side could give it control over vast areas of space and, as one U.S. official puts it: "Whoever controls space will be able to dictate the shape of events on earth."

But all these ultra-modern weapons also have an Achilles heel: they are themselves vulnerable and might only survive briefly in any conflict.

Space is crucial because the satellites which now inhabit it have become the vital eyes and ears of the modern military commander. And it is through the fringes of space that the long-range ballistic missiles—the main weapon of both sides—would fly.

Since the Russians launched Sputnik to the astonishment of the West in 1957, satellites have become crucial for four main military tasks:

Early Warning. America's type 647 satellites, a mere three of them, double the warning time which Washington has of a Soviet missile launch, from 15 to 30 minutes. They are in geostationary orbit, 22,300 miles up.

Reconnaissance. Low-orbiting satellites such as the American Big Bird or KH-11 can pick out a plate on a picnic table, not to mention Soviet troop build-ups, or the construction of new helicopter carriers or atomic installations. (In late September a further "close look" satellite was launched to monitor the Iran-Iraq war.)

Navigation. The West relies totally on satellites for its only accurate global all-weather navigation systems. The dependence is particularly important for submarines involved in complicated targeting operations.

Command, control and communications. Nearly 80 per cent of U.S. defence communications are routed via satellite. Radio routings could be difficult in war since nuclear explosions would disturb the ionosphere and interrupt signals.

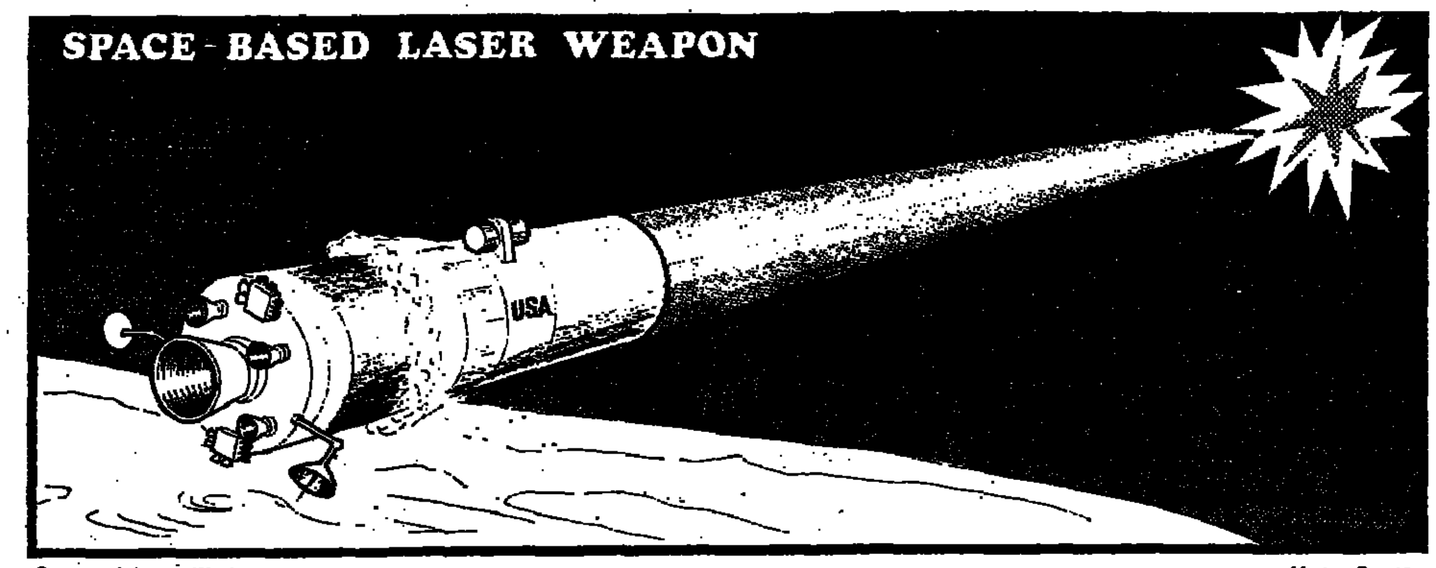
Modern war has become highly complex, but some defence analysts argue that armies have been so dazzled by the technological wonders of today that they have been slow to wake up to their vulnerability.

Satellite systems are vulnerable at three points

Satellite-based systems can be undermined at three points. The first is on the ground. Receiving stations linked to satellites would be among the first targets in any war. This is especially true of stations linked to the U.S. early warning satellites. There are only two of these, at Buckley, Colorado and in central Australia.

The second point of vulnerability is in what non-scientists call the ether. Both sides have developed electronic jamming methods to interrupt communications with satellites. They could also rely on the disturbance to radio signals from any nuclear explosion on earth or, in particular, in the atmosphere.

Finally, satellites are relatively "soft" targets, having fragile skins and comparatively delicate circuits. They can also be found in predictable places. It is these satellites which are now the target of an arms race which would have delighted Dan Dare or Buck Rogers.



Source: Aviation Week — Martyn Barnes

The Soviet Union has carried out an extended test programme of "hunter-killer" satellites—satellites which could have the ability to alter orbit, draw alongside and then explode beside hostile satellites. The technique has its limitations, taking time to prepare and being restricted to relatively low altitudes, but it has disturbed Washington.

America's own work in this field goes back to the early 1960s when missiles were prepared for use against low-flying satellites. In 1962 the U.S. demonstrated that nuclear explosions could destroy faraway satellites when, unwittingly, it damaged one of its own satellites 14,000 miles away by exploding a nuclear device 248 miles above the Pacific.

On the one hand the Americans are now working to make their own satellites "harder"—more resistant to attack. On the other they are considering offensive tactics such as dropping shrapnel into the orbit of enemy satellites. What also worries the Russians is that once the U.S. Space Shuttle is flying, possibly next year, the Americans may be able to pluck low orbiting Soviet satellites out of orbit.

However, in the efforts to find a way of attacking satellites the two superpowers are now concentrating on the equivalent of the childhood fantasy of the death ray, "directed energy beams"—a term covering both laser beams and beams of atomic particles such as neutrons or hydrogen atoms.

The delicate electronics and optics of satellites make these a "soft" target for the laser, as does the predictability of a satellite's position. Indeed both the Russians and the U.S. are known to be on the verge of building a space-based laser for use against satellites.

"Such weapons are today's technology," says Dr. Desmond Ball, a research associate at the International Institute of Strategic Studies. But he adds that it will not be before the second half of the 1980s that missiles, a harder target, will be under threat from lasers.

The U.S. has been experimenting with laser weapons since the early 1970s and recently Mr. Harold Brown, the Secretary of Defense, ordered that the main thrust of American research into laser weapons should be directed to their use above the earth's atmosphere—where the air does not interefere with the propagation of the beam.

Part of this effort is the Airborne Laser Laboratory which the U.S. Air Force showed at Britain's Farnborough Airshow last month. The laboratory is a converted Boeing tanker aircraft, the NKC-135, which is being developed to test the feasibility of mobile high-energy lasers.

Air interference means that at present a long-range laser weapon would have to be used at heights over some 6½ miles. However, the Soviet Union may soon have a ground-based laser capable of blinding low-flying U.S. reconnaissance satellites.

The problems of transmitting a beam through the dense lower atmosphere mean that the Russians are generally thought to need about five years to develop a ground-based lasesr capable of striking spacecraft at altitudes of more than 3,000 miles, or of being effective over the 22,300-mile range necessary to reach the three U.S. early warning satellites in geo-stationary orbit. However, the U.S. magazine, Aviation Week and Space Technology cites intelligence analysts who argue that the Russians may be close to completing work in this field.

However attractive the futuristic visions of bolts of energy darting through space may be to the scientist and the science fiction writer, the sums allocated by the U.S. defence establishment to developing lasers shows that for the moment Washington is not prepared to put all its eggs in the Star Wars basket. At present the official budget for laser development by the U.S. armed forces and Defence Advanced Research Projects Agency, the body co-ordinating work in this field, is only around $200m a year.

Indeed there are strong military reasons for thinking that space-based lasers are not the ultimate weapon. They would be exposed, easily located, and simply destroyed. And commands to them could be interrupted.

These limitations meant that it was not the disarmament lobby but the U.S. Department of Defence which rained most fire on a proposal earlier this year for mounting 18 laser battle stations in space.

The U.S. view is that while such stations would be too vulnerable to be a viable military option, work should be done on the technology involved. Officials believe it could take five years to develop the engineering skills needed for space-based lasers to be effective against missiles.

Proposal to mount 18 laser battle stations in space

The problems a laser has in damaging a relatively "hard" target like a missile mean that increasing attention is being focused on using the more intense energy of an atomic particle beam. The development of particle beam weapons is generally believed to be at least ten years behind that of lasers.

But every now and then there are scares that the Soviet Union may have stolen a march—as it did with Sputnik. Recently photograhs taken by American KH-11 reconnaissance satellites showed what could have been an atomic article accelerator at a new Russian installation being built at Saryshagan, a missile range in Kazakhstan, close to the Sino-Soviet border.

Aviation Week quotes U.S. intelligence analysts as saying they believe that "the beam weapons will be operational within a year or two for tests against missile targets." But other experts insist that the issue is not so clear cut.

A recent assessment of beam weapons by the Massachusetts Institute of Technology concluded: "The operational difficulties of a particle beam weapon . . . seem insurmountable."

In 1954 General Curtis Le May, later to become Chief of Staff of the U.S. Air Force, said: "I can guarantee that 10 years from now there will be no operational long-range ballistic missiles."

Today some U.S. intelligence officials believe that there is a danger that the U.S. is showing a similar inability to predict the future and that it is paying inadequate attention to particle beams and Russian advances in this field. But the firm belief of both the U.S. Department of Defence and the scientific advisors of the British Ministry of Defence is that it is on lasers not particle beams that research should be concentrated.

Slowly and inexorably developments are thus moving in the direction already to be seen on the cinema screen—with one difference. Although dubbed a death ray, the laser is rapidly becoming that rarest of weapons, one which will destroy weapon systems rather than people.

Weekend Brief

Heavy going at Tattersall's yearling sales

Those with a refined instinct for international investment values will have kept an eye on Newmarket this week, scene of the annual Tattersall's Houghton yearling racehorse sales—as much a barometer of what's going up and what's travelling down as current Impressionist values, or the price of a Penny Black.

Racehorses are a dicey investment: they cost a lot, eat a lot and generally trail away in value.

In other words, buy a racehorse and you enter one of the grandest lotteries of all.

The news from Newmarket has been decidedly patchy. At most of the major international sales this year (Kentucky, Deauville, Ireland), prices have been buoyant, but at Newmarket this week, there were definite signs of stress.

True, on Wednesday, a particularly well-bred filly fetched 134,000 guineas, knocked down to a Venezuelan client of the British Bloodstock Agency. And on Tuesday, owner Robert Sangster and trainer Vincent O'Brien went to 162,000 gns to purchase a full brother to one of this summer's racing heroes, Final Straw.

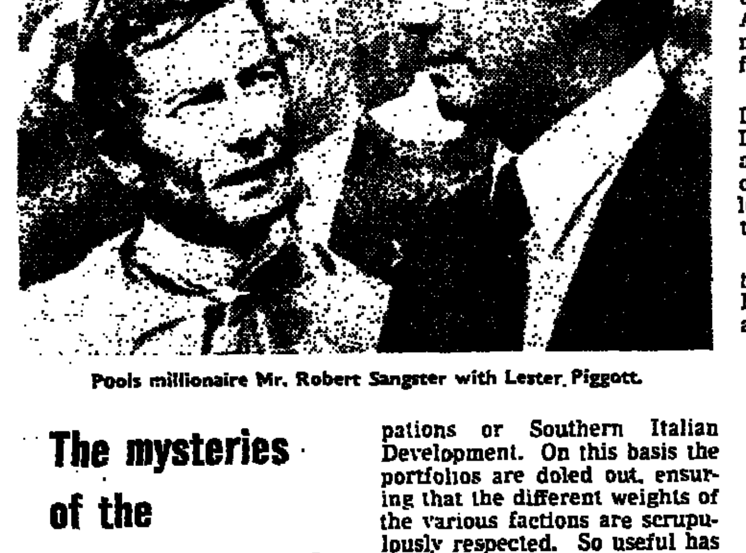
Yet the market was patchy. On the first day, takings were 17.7 per cent down, when the average price of each yearling racehorse was 19.377 gns. During the second session, 123 yearling racehorses exchanged hands for a total of 2,705,550 gns—an average of 21,995 gns against an average of 29,853 gns at the same session last year.

Had the market gone soft? Was the end at hand? "Not at all," said the voice from Newmarket. "It may surprise you to know, but the yearling market is at least as susceptible to technical adjustments as gilts or insurance. The fact is that many of the animals produced this week were lacking charisma. Either their pedigrees outweighed their physiques, or vice a versa."

According to the Racehorse Owners' Association, the average cost of a thoroughbred yearling (at the lower end of the scale) is today £4,500. Average training and running costs are £7,000. An estimated 70 per cent of racehorse owners run up sizeable deficits, while only one man a year wins the Derby (modern-day Derby winners are worth at least £5m).

Is the gamble worth the candle, even to the very rich? "I should say so," said Newmarket. "A racehorse is a work of art. Most of the time it empties your pocket. But once in a thousand you purchase an animal that makes money look useless."

Yesterday, at Newmarket, Storm Bird, owned by Mr. Sangster and trained by Vincent O'Brien, won the William Hill Dewhurst Stakes. Storm Bird cost $1m as a yearling—the first race horse with such a price tag to be seen in this country. His estimated value now: a minimum of $7m.


Pools millionaire Mr. Robert Sangster with Lester Piggott.

The mysteries of the Cencelli Manual

The trickiest stage of any Italian Goverment crisis is always the last one. And so it has proved this time as Sig Arnaldo Forlani winds up the process of forming the country's 40th post-war administration. The ritual banalities that pass for a "programme," were quickly agreed by the four parties in his coalition-to-be. Then came the really delicate part — of dividing up the spoils of ministerial office, not so much between the parties, but between the Correnti or factions within them.

Every new government in Rome is an assiduously weighted mixture of the factions. Mainly they come from the Christian Democrats, who have ruled the country since the war, but the problem also crops up among the Socialists, with only 9.8 per cent of the popular vote, but whose support is vital for any government to have a majority in Parliament. Experts now reckon that there are currently nine Christian Democrat factions, and three or four Socialist ones. All of them are parties within a party, with their command structure, secret sources of finance, and fiefdoms within the highly politicised jungle that is the Italian public.

Theoretically a prime minister designate can choose whom he likes as minister. But whatever the constitutional purists say, he is in practice obliged to pick from short lists put forward by the capi-corrente or factional bosses. Not surprisingly, competence and initiative often taken second place to unswerving loyalty among the qualities of the candidates. So how does the premier-to-be solve the problem?

The answer lies in the legendary "Cencelli Manual." Signor Cencelli was an otherwise obscure Christian Democrat Party official in the 1960s. But his fame is enduring in Italian politics, thanks to the method he invented—which parliamentarians swear actually exists in a handbook — of forming government. Once the various weights of the factions are agreed, each ministry is given points of importance. The highest scores are foreign affairs and the Ministry of the Interior and then came second runkers like Treasury and education — as well as one rich in patronage like State Participations or Southern Italian Development. On this basis the portfolios are doled out, ensuring that the different weights of the various factions are scrupulously respected. So useful has the system proved, that it is now said to apply to the carve-up of top jobs in other semi-public bodies like the RAI broadcasting service.

It also becomes clear why government reshuffles are virtually impossible in Italy. So complicated are they that a government crisis is usually the only way of carrying them out. It also explains why highly respected technocrats have so short a life expectancy in office. Indeed Treasury minister Sig. Filippo Maria Pandolfi, who once rashly boasted that he did not identify himself with any faction, may now be about to lose his job, for precisely that reason.

A blunt billhook, the Law Courts and a Chinaman

In addition to their role as a repository of justice, the Victorian gothic Law Courts in the Strand are the setting for what is reputed to be the oldest surviving English ceremony apart from the Coronation.

This week the cathedral-like Great Hall of the Royal Courts of Justice saw once again the annual ceremony of the Rendering of the Quit Rents and Services by the Corporation of London to the Queen's Remembrancer.

Dating from 1211, the ritual involves the payment by the City of London of rents for two pieces of land, The Moors, in Shropshire, and The Forge, in the parish of St Clement Dane in London.

The rents are only a token payment in kind, the services rendered by the original tenants having been commuted by the Sovereign—hence Quit Rents: since the tenants go "quit" and free of all other services.

The rent for The Moors consists of a blunt billhook, with which the Comptroller and Solicitor of the City of London attempts—with traditional lack of success—to split a bundle of faggots: and a sharp hatchet, with one stroke of which he severs another bundle.

For The Forge the City pays six horseshoes and 61 nails, each one painstakingly counted by the Comptroller, and presented to the Queen's Remembrancer, one of the most ancient offices in the legal hierarchy, nowadays held by the Senior Master of the High Court (in effect, an assistant judge).

The ceremony is traditionally attended by the Lord Mayor of London who, appropriately, this year is Sir Peter Gadsden, a native of Shropshire. He recently made a special visit to the county to establish formally the exact location of The Moors, about which there has apparently been some confusion. Although described in the ceremony as "waste land," it is, in fact, a thriving farm.

Former Lord Mayors of London, the Governor-General Designate of New Zealand, six ambassadors and a clutch of ohter foreign diplomatic and legal dignitaries also attended the ceremony.

Quite what His Excellency, the Ambassador of the People's Republic of China made of it all, is anyone's guess.

'I like a drink that goes fizz, fizz, fizz'

Having a party? Looking for a gimmick which will guarantee to stimulate conversation? Then try hiring a champagne fountain for £12 a day or a popcorn-making machine for a mere £20, even a dance floor for £1 a square foot which fits together like a jigsaw.

Nowadays you can rent almost anything from skis—on average £2 a day—to the wheelchair, about £20 a month—you may need later; equipment for the do-it yourself enthusiast: punch bowls and silverware for grand dinner parties or a small barbecue for an evening with friends.

In Britain, the renting market, apart from television rental, is relatively untapped. This is why one U.S. company, United Rent-All is anxious to find a British company to take up its hire franchise.

By next spring, United Rent-All hopes that the first of several hundred hire shops will be opened in the UK, possibly bringing the first champagne fountains—which spurt out a constant supply of alcohol and have flashing lights—to British homes. A small pump keeps the champagne circulating providing that it is topped up from time to time.

Mr. Jack Jenkins, who is director of URA's international operations, wants to brighten up the image of hire shops in Britain. He said that most people felt that such places were dirty and unglamorous and not the place to rent anything except tools. In America, URA's shops are clean, bright and airy just like any other modern department store. The only difference is that things are hired, instead of bought.

Hiring is a growth market worth $2bn a year in the U.S. United Rent-All has also branched out into Canada and Japan.

While demand for most items such as tools and domestic equipment varies little from country to country, the most popular item in Japan is luggage. Because most Japanese have small houses, Mr. Jenkins said, there is little room for suitcases which are used once a year, so the Japanese prefer to rent. In the U.S., however, champagne fountains are top of the hire list.

Contributors:
Michael Thompson-Noel
Rupert Cornwell
Raymond Hughes
Elaine Williams

Economic Diary

TODAY: Australian General Election.

TOMORROW: *National Savings progress report (September).*

MONDAY: Unions meet on Isle of Grain power station dispute. *Farm workers' pay talks.* Trades Union Congress Liaison Committee meets. Retail sales (September provisional). New construction orders (August). Industrial and commercial companies appropriation: net acquisition of financial assets and net borrowing requirement (second quarter). Economic-Finance Council meets, Luxembourg. Lord Soames, Lord President of the Council, speaks at Institute of Directors annual dinner, London Hilton. Conference on EEC transport policy, Liverpool Polytechnic. International Atomic Energy Agency opens discussions on nuclear power plant safety, Stockholm. Mr. James Prior, Employment Secretary, at "Employment Law—1980" conference, St. Ermin's Hotel, London.

TUESDAY: Unemployment and unfilled vacancies (October provisional). Bricks and cement production (third quarter). ICI fibres division shop stewards meet to discuss action against redundancies, Harrogate. Health and Safety Executive prosecute IMI (formerly Imperial Metal Industries) over blast which killed two at secret rocket fuel factory, Magistrates Court, Stourbridge. *Mr. Patrick Jenkin* speaks at Barnardo annual meeting, Queen Elizabeth Hall, London. Mrs. Margaret Thatcher *officially* opens three redecorated rooms at National Gallery. The Queen and Duke of Edinburgh arrive in Tunis on State Visit.

WEDNESDAY: TUC general council meets, London. Miners' pay talks—first meeting. Labour Party National Executive Committee special conference on party leadership. Supreme Soviet Session discusses new five-year plan, Moscow. House of Lords debates fisheries policy and effect of gas prices on manufacturing industry. Annual meeting of British Standards Institution, Green Street, London.

THURSDAY: New vehicle registrations (September). Institutional investment (second quarter). Consumers' expenditure (third quarter—first preliminary estimate). House of Lords debates Civil Aviation Bill, report stage.

FRIDAY: House of Lords debates report stage of Local Government Planning and Land Bill. Sales and orders in the engineering industries (July).

Audiotronic suffers £4m net deficit and Mr. Rose resigns

Delayed figures for Audiotronic for the year to March 1 show that the electronics company has lost £4m after tax and extraordinary items, in spite of the sale of the Laskys retail division.

Mr. Geoffrey Rose, who took over the chairmanship of Audiotronic three years ago at the same time as he gained control of Crellon and Change Wares, announced his resignation immediately after the announcement of the losses. He has already left the boards of Crellon and Change Wares.

Mr. Rose, who had said earlier this year that the sale of Laskys left the company "in better shape than it had been for some time," yesterday admitted that the overall asset position is worse than was estimated at the time of the interim report.

Then net assets were estimated to decline by £319,000 as a result of the sale of the retail side. The reduction is now said to be of the order of £518,000.

Moreover, there is a chance that the true position may have affected the payment of the preference dividend made in August 1979.

The payment "may have been paid out of reserves not available for that purpose," the board said. It is seeking further advice. Meanwhile, Mr. Rose does not expect the company to be in a position to pay any ordinary or preference dividend for "the foreseeable future."

Turnover during the year reached £14m, compared with £15m a year previously, giving rise to a pre-tax loss of £1.73m (£733,000). There was a tax tax credit of £3,000 (£71,000 charge).

Below the line the profit on the sale of Audiotronic (Retail) of £411,000 was more than absorbed by the closure of the Dutch and Belgian retail trading subsidiaries — thought to have been improving earlier this year — and the writing-off of consolidated goodwill of the UK companies of £2.84m.

The loss per share is 15.6p (7.7p).

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
A. Henriques ......int.	0.3	—	0.3*	—	1.5*
Albert Martin ......int.	Nil	—	1.8	—	4.3
Allebone ......int.	Nil	—	Nil	—	1
Ayer Hitam	115‡	Dec. 1	140	205	290
Courtney, Pope	1.2	—	1.85	2.4	3.05
Lister & Co.	0.1	Jan. 23	1	0.1	1
Mettoy ......int.	Nil	—	1.25	—	1.55
Stothert & Pitt	1	Jan. 9	8.41	1	11.06

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Malaysian cents throughout.

Forward Technology £2.3m so far

FOLLOWING THE change in its year-end, Forward Technology Industries reports pre-tax profits of £2.32m for the interim 12 months to June 30, 1980. For the year to June 30, 1979, pre-tax profits amounted to £2.1m.

Unless a further deterioration occurs in the UK, Mr. Gordon Allen, chairman, expects a satisfactory result for the remaining six months of the 18-month period to December 31.

Dividends totalling 5.6p (4.7p) have already been declared for 18 months but the Board intends to consider the payment of a final dividend when the results are known.

On current trading, the chairman says that while overseas activities and exports, which together now account for 40 per cent of the business, continue to perform well, the group's UK markets are adversely affected by the recession.

"We anticipated this situation to a significant extent and have progressively reduced our costs and labour for the last 15 months," Mr. Allen says.

An analysis of sales—£44.5m (£40m)—and profit shows electronics and special purpose machinery contributed £23.1m (£21.62m) and £2.18m (£1.53m) respectively, distribution, £7.13m (£7.02m) and £0.48m (£0.36m), plastics, £7.58m (£5.93m) and £0.56m (£0.65m) and sound reproduction, £6.7m (£5.43m) and £0.44m (£0.55m).

Estimated tax charge for the 12 months is £695,000 (£546,000) giving earnings per share of 9.5p against 9.2p. Profits are after £359,000 (£174,000) central overheads net of rents received and £986,000 (£807,000) interest charges.

The chairman says that at today's exchange rates, future export orders are becoming much more difficult to obtain. Under these circumstances, the board is again examining further direct investments overseas.

In the past few weeks the group has benefited from the adverse effects of the UK business climate by making two small acquisitions of assets from a receiver. The board expects there to be further and greater opportunities in this field as the recession takes its toll of under-capitalised companies with good products.

The structure of the group is designed to perform relatively better in times of economic downturn, and, although it must be affected by the economic environment, "we are still confident of continuing to produce satisfactory results," the chairman says.

Meeting, 2 Pont Street, SW, November 14 at noon.

● comment

Forward Technology has managed to increase pre-tax profits by 10.3 per cent. Although the performance of its UK operations has been depressed by the economic environment, it now does 40 per cent of its trade either in exports or through overseas subsidiaries. The company takes the view that export trading will become increasingly difficult, and is examining further direct investments overseas. It is also looking to benefit from the recession by acquiring assets from companies in receivership. The most successful parts of the group have been in electronics and special purpose machinery, which increased pre-tax profits 42 per cent, and in distribution, up 35 per cent. The plastics and sound reproduction divisions showed markedly reduced profitability on much higher sales. The shares moved up 2p to 126p, and yield 6.5 per cent. The fully-taxed p/e is 18.2, presumably taking account of the company's involvement in technology and its overseas interests.

British Dredging back in the black

British Dredging, the Cardiff-based aggregates and construction group which has been the subject of much boardroom controversy over the past three years, moved back into profit in the first half of 1980 with a pre-tax figure of £78,000.

At the beginning of the year the company—in which Ready Mixed Concrete has a 27.9 per cent stake—appointed Mr. Fane Vernon as executive chairman in place of Mr. Bryan Clark who resigned from the Board. British Dredging is suing Mr. Clark for £97,167, alleging breach of duty as managing director. Mr. Clark is himself suing the company for £74,000 for breach of contract.

The first half profit—achieved on a turnover of £5.95m (£4.97m)—compares with a loss of £198,000 in the same period of 1979 and with a deficit of £406,000 for the whole of the previous year. The group was last in profit in 1973/74 when there was a pre-tax figure of £434,000 against £1m. In subsequent years the group has totted up losses of almost £4m.

The first half 1980 profit was achieved despite a loss in the Commercial Dry Dock company and a further loss of £50,000 by the Dunkerque associate. However, the company says that plans are now in hand to cut back and eventually eliminate these losses.

Mr. Vernon said yesterday that the Commercial Dry Dock losses were "significant but not enormous." In 1979 this company showed a profit of £137,000.

He was cautious about the second half prospects and was not prepared to make a forecast. Trading conditions in the building industry were very difficult and there was also a severe shortage of orders in the Commercial Dry Dock company.

Mr. Vernon said that the first half of 1980 was the initial period for the group under his leadership. The group "was being turned steadily round and prospects ahead were good." The group is still vigorously cutting costs and the full benefits of these and other moves would be felt in 1981, said the chairman.

He reported that the BDC Concrete Products company "was going from strength to strength" and had opened a new factory at Gateshead.

The group, he added, was operating about £500,000 within its bank overdraft limits. Liquidity was therefore "very satisfactory and a great deal better than for some time past."

There is no interim dividend —the last payment was a single 0.3p in respect of 1976.

	Half year 1980	1979
Turnover	5,948	4,967
Share of associates	187	*120
Trading profit	337	50
Interest	259	224
Trading profit	78	174
Exceptional items	—	24
Profit before tax	78	*198
Taxation	93	†33
Attributable loss	15	165
The trading profit before interest is after charging depreciation of	140	120

* Loss † Credit

Albert Martin into loss and passes interim

THE FIRST half of 1980 has left Albert Martin Holdings, clothing manufacturer, with a pre-tax loss of £425,000, compared with a profit in the corresponding period last year of £450,000, and the directors are omitting the interim dividend.

While the recession continues it is extremely difficult to comment on prospects for the rest of the year, says Mr. C. R. Martin, chairman, but with the cost benefits of current reorganisation and the seasonability of certain businesses, he expects a reasonable improvement in the second half as against the first.

For the whole of 1979, there were pre-tax profits of £825,000, and dividends totalling 4.3p net were paid.

Turnover in the first half rose from £11.06m to £12.89m, and the deficit was struck after net interest charges of £348,000 (£179,000). Tax charges of £29,000 (£71,000) and minorities of £22,000 (£3,000) left an attributable loss of £476,000 against a profit of £376,000.

Cost reduction exercises have already been implemented, states the chairman, and unprofitable areas of activity have been either cut back or eliminated. The reorganisation of the Albert Martin and Martin Emprex distribution divisions has released for disposal the warehouse and offices at Lenton Lane, Nottingham, and the factory at Wood Street, Barnsley.

The resulting closure costs, which at present are estimated at £150,000, will arise mainly in the second half and will be charged as an extraordinary item in the full year's accounts.

Martin Emprex (Hong Kong) made an excellent profit in the first half with the benefit of additional capacity from its Macau factory, says the chairman. Steady progress has also been made in the reconstruction of the Cooper and Roe business and the acquisition has proved well worth while, he adds.

● comment

Despite a 17 per cent increase in turnover and an interim profit of £150,000 from the group's Hong Kong subsidiary, Martin Emprex (Hong Kong), the mid-term outlook for Albert Martin Holdings is bleak. Interest charges have almost doubled, even though a substantial saving of about £150,000 was made by borrowing Swiss francs rather than sterling. Debt at the end of last year totalled £4.2m, all in the form of bank overdraft, and this is expected to peak at around £6.5m in the third quarter of 1980 pushing up interest charges even higher. The company has made 7.6 per cent of its workforce redundant, closed two small manufacturing units and is currently offering properties in Nottingham and Barnsley for sale at a price of £700,000. The interim dividend has been passed and the prospect for year-end is dismal. But the shares, which remained at 28p, are supported by net assets in the balance sheet at December 31, 1979 of 122.6p.

Over £2m interim loss for Mettoy

ON TURNOVER more than £6m lower at £16.44m, Mettoy Company, toy manufacturer, has plunged to a pre-tax loss of £2.17m in the first 36 weeks of 1980, compared with a profit of £703,000.

Although he warned in his annual report for 1979 that there were difficulties in the future, Mr. Arthur Katz, the chairman, says he by no means anticipated the depth of reaction which the general recession has had on the toy industry. The interim results are a great disappointment, he adds, and in view of the importance of the coming months for the industry, the Board is hopeful that the position will not deteriorate further.

The consideration of any dividend must be left until the full year's results are available, he says. Last year an interim of 1.25p was followed by a final of 0.6p—profits in the final 16 weeks amounted to only £20,000, leaving the year's total at £723,000 before tax.

At the trading level, the interim loss was £506,000, compared with a profit of £1.59m, and the pre-tax figure was struck after interest charges doubled at £1.06m (£530,000), exchange losses of £483,000 (£360,000) and reorganisation costs of £128,000.

Steps initiated early in the year to reduce costs proved insufficient to counter the drop in sales, states Mr. Katz, and the Board has reluctantly been forced to proceed with far-reaching redundancies, having already worked shorter hours in most departments for some months. The resulting charges of some £400,000 have not been allowed for in the interim figures.

While there have been widespread forecasts of substantial reductions in interest rates and a subsequent lowering of the value of sterling, the group has had to continue operating under most difficult conditions, states the chairman. Even reduced exports could only be achieved at the expense of most unsatisfactory margins, and home trade sales have had to compete with low-cost imports due to the ever-growing value of the pound and destocking by retailers.

The greatest cost increases have come from areas beyond the group's control such as energy, rates and postal services. The full effects of the economies now being made will not be felt until 1981, but will strengthen the group's future, he adds.

Mr. Katz points out that the group has historically pursued a conservative financial policy and the strength of the balance sheet is standing it in good stead.

Lex, Back Page

BIDS AND DEALS

Greycoat and Brooke Tool bid for trusts

Cumulus Investment Trust and Provincial Cities Trust—two small investment trusts—are the subject of separate agreed bids at prices representing a significant premium over their asset values.

In both cases the offerors are seeking capital for expansion programmes and state their belief that buying—and selling —on the portfolio of an investment trust is the most cost-effective way of raising such finance.

The larger of the two bids —worth about £3m—is by Greycoat Estates, a property development group, for Cumulus. It has already been irrevocably accepted by Mr. John Smith, the chairman of Cumulus, who is swopping his 57 per cent stake in Cumulus for 3m shares in Greycoat and a board seat.

Mr. Smith has been involved with property companies before, notably as chairman of Sterling Land prior to its acquisition by Town and City in 1973.

Greycoat is making a share offer worth 63.2p per Cumulus share—110 per cent of net tangible assets as at ctober 13—based on a price for Greycoat of 145p a share. Alternatively shareholders can elect to receive 103 per cent of asset value, about 59.2p, in cash.

N. M. Rothschild is underwriting the cash offer and both offers have the approval of Kleinwort Benson which is advising Cumulus.

Greycoat has already made arrangements to "sell a large proportion of the portfolio to an investment institution." It intends to use the proceeds for property development, particularly on its 66 Brook Street building where it has planning permission for a modernisation programme involving 14,000 sq ft of offices.

In the market Greycoat's shares added 5p to reach 146p.

Expansion plans and possible acquisitions also lie behind the offer by Brooke Tool Engineering for Provincial, according to Brooke's advisors, Lazard Brothers.

Again the bid is an agreed one and it is planned that the entire investment portfolio will be sold once the offer goes unconditional.

Provincial had an estimated asset value of 40.04p on October 14, in line with the share price yesterday of 40p after a 1½p rise.

Brooke is offering six of its own shares for every seven Provincial plus 10½p in cash which, based on a Brooke price of 54p, is worth a premium of 19.34 per cent. After the announcement the market price of Brooke lost 4p to close at 48p.

Alternatively shareholders can sell their Brooke shares to Lazards for 47p which provides a cash return representing a 4.36 per cent surplus over asset value.

The share offer values Provincial at about £2.3m. This is considered fair by its advisers, The English Association of American Bond and Share Holders. It has been irrevocably accepted by shareholders accounting for 59.2 per cent of Provincial's equity.

The Board of Brooke Tool has forecast that profits before tax for the second half will be "of a similar order to those of the first half," when the company reported figures of £319,000.

If this is achieved it will represent a substantial improvement over last year's full-term profits of £495,300. Accordingly the Board is promising a final dividend increase to 2.05p (1.677p). This would result in a total of 3.5p (2.8875p).

Grampian Holdings purchasing Cunninghame assets for £1.7m

Grampian Holdings, together with its principal transport subsidiary W. H. Malcolm, have agreed to purchase the vehicle fleet and other assets of James Cunninghame for £1.7m cash.

Cunninghame — which has operated since 1967 exclusively as a hirer supplying haulage vehicles to Malcolm — owns a modern fleet of 92 haulage vehicles, 13 items of contractors plant, and 39 semi-trailers.

The purchase contract is conditional on shareholders' approval as Mr. D. J. Malcolm, who is both a director of Grampian and W. H. Malcolm, owns with his family the capital of Cunninghame.

The vehicle fleet has been independently valued at £1.71m and the yard at £27,000. The goodwill and name of Cunninghame are to be acquired for no consideration.

The consideration is to be satisfied by an instalment of £400,000 on the date the purchase contract becomes unconditional, an instalment of £304,000 on January 1, 1981, and thereafter by four instalments of £250,000 on May 1, and September 1, 1981 and January 1, and May 1, 1982. Grampian has arranged a two-year loan facility of £1m which may be used from January 1 next.

Grampian says that after the recent period of rationalisation it considers it is now in a financial position to take advantage of the opportunity of acquiring Cunninghame's fleet. The company anticipates that, even with the present high interest rates, this acquisition will make a useful contribution to Malcolm's profits.

In addition, the company points out that the purchase of the fleet will attract first year tax allowances which it is anticipated will reduce Grampian's tax liability.

Grampian—whose interests cover construction, transport and plant hire—lifted group pre-tax profits from £1.68m to £1.93m in the year ended 1979.

Last-minute hitch in Yule Catto-Revertex agreement

A problem at the last minute has prevented final agreement between Yule Catto, the Far Eastern plantation and investment group, and Revertex Chemicals on terms of Yule's agreed takeover bid, for which more than 90 per cent acceptances have already been received.

On Thursday, Yule Catto and Revertex completed negotiations with Hoechst, the German chemicals group, concerning Hoechst's undertaking not to exercise its rights to acquire Revertex's 50 per cent shareholding in Harlow Chemicals. This had been the major outstanding issue.

But yesterday Yule Catto announced that Revertex was still objecting to "two clauses in the proposed agreement" governing the undertaking. Because yesterday was the scheduled deadline by which all conditions were to have been met, the two companies approached the Panel on Takeovers and secured a one week extension until October 24.

Mr. Kenneth Bushell, managing director of Revertex, was unwilling to provide details of the two points being contended. He did say, however, that "the agreement was finally seen by Revertex board members only a few hours before its planned board meeting on Thursday." This was the meeting at which final approval was to have been given.

Mr. Tony Richmond-Watson, a director of Yule-Catto, said that this was "not relevant." "Both of the points have been around for a long time and we have been in close touch with Revertex," he claimed.

Discussions are to continue on Monday between Lord Catto, chairman of Yule Catto, and Sir Campbell Adamson, chairman of Revertex. Both companies expressed the hope last night that the matter could be resolved by the new deadline.

CORAL LEISURE

Coral Leisure Group says it has been advised by a director, Mr. Trevor Hemmings, that Lawley Builders, a building contractor in which he is the majority shareholder, bought 15,000 Coral shares on September 1, the day of the bid, now referred to the Monopolies Commission.

Half of these were bought for 66½p and the rest at 67p. They were then sold two days later at 90p—making a profit of just under £3,500.

Mr. Hemmings has no management responsibility in Lawley, and said he had "only just learned of these transactions and is embarrassed that, notwithstanding his extensive business interests calling for special care on his part as regards any dealing in Coral shares by his company, this particular company had not received proper instructions."

The statement continued: "The directors of Lawley Builders, who authorised the transactions, were acting on the previous weekend press speculation on a company in which they had a natural interest because of Mr. Hemmings."

Mr. Hemmings was not available for comment but a spokesman for Coral Leisure said there was "no question of the Lawley directors having any inside knowledge."

SPAIN

October 17	Price %	+ or −
Banco Bilbao	252	+4
Banco Central	282	+4
Banco Exterior	217	
Banco Hispano	241	−4
Banco Ind. Cat.	125	+1
Banco Madrid	141	
Banco Santander	284	+3
Banco Urquijo	132	
Banco Vizcaya	261	+4
Banco Zaragoza	248	
Dragados	110	
Española Zinc	71	
Fecsa	64.2	−1
Gal. Preciados	32.5	−0.5
Hidrola	68.2	−0.8
Iberduero	65.5	
Petroleos	113	
Petroliber	88.5	
Sogefisa	102	
Telefonica	63	
Union Elect.	68.7	

Courtney Pope setback: dividend reduced

PROFITS down from £931,000 to £518,000 are reported by Courtney, Pope (Holdings), shopfitting and electrical group, for the year ended May 31, 1980, and the directors are cutting the dividend from 3.05p to 2.4p per share with a final of 1.2p (1.85p).

Although capital expenditure has been curtailed where possible, borrowings are at an unacceptable level and the Board has reduced the final dividend to retain a reasonable degree of cover.

The results reflect both the downturn in the economic situation and the hardening of margins. However, the group managed to secure its overall budgeted turnover — £23.29m compared with £20.06m.

The directors say as far as the current year is concerned, the group has had four months of results and indications are that margins have shown a slight improvement and provided that the economy does not deteriorate further, results are expected to be at a more acceptable level than for the period to May 1980. The Board feels fairly confident that it can overcome this setback in the profit record for the last four years.

Profits are after deducting an exceptional item of £66,000 (nil). There is no tax charge (£351,000) after deducting £176,000 (£139,000) relief for increases in stock levels. Stated earnings per share are 9.21p against 11.84p.

The Board says the results were affected by certain other issues unrelated to the economic situation which were industrial action on the shopfitting side (£60,000), and increased interest charges (£170,000) partly relating to the inability to dispose of the Hylter works.

Finally there was the complete failure of the specialist contracting side which was unable to meet its budgeted sales and profit due to the general cut back in retailing expenditure.

Every effort continues to be made to improve the overall liquidity and profitability of the group, the directors say.

C. Hill optimistic despite heavier loss

Including redundancy and other non-recurring costs of £125,000, Charles Hill of Bristol, civil engineering, building and property development concern, has suffered heavier first-half losses of £265,000, for the period ended June 30, 1980, compared with £6,000. Turnover fell slightly from £6.49m to £6.13m.

Again there is no interim dividend, the last payment being a 2p net final for the whole of 1978.

Mr. Richard Hill, chairman, says, however, that during the three months to the end of September directors estimate that trading profits of over £100,000 have been achieved and "this gives us grounds for believing that, unless we are hit by factors outside our control, our results will be much better when we consider the position as at the end of the year."

For 1979 the group incurred a pre-tax loss of £184,875.

The chairman adds that the third quarter turnround is the outcome of group endeavours over a long period to rationalise activities, and to keep only those that had potential profitability.

The group's 50 per cent interest in Containercare (Bristol Channel) was sold to partners Messrs. Reardon Smith Coggins, and purchasers have been found for the last of the group's surplus freehold sites bought for development, and for one of the freehold houses. These transactions will bring in some £130,000 net of costs, directors say.

Associates' share of losses was £8,000 (£5,000), tax last time took £2,800, and after minority losses of £13,100 (£2,000 profits), and preference dividends £6,500, the attributable loss came out at £258,400 against £17,300.

Loss per £1 share is given as 22.1p compared with 1.5p.

Turriff down midway

REFLECTING the combination of inflationary cost pressures and lower returns, pre-tax profits of Turriff Corporation, the engineering contracting group, fell from £336,000 to £242,000 in the first half of 1980 despite turnover improving from £16.8m to £23.3m.

Whereas the second half usually produces the major proportion of profits, it is already evident that the year's result will be well below very early expectations and last year's record £1.36m, the directors say.

As a result, the directors have reduced overall establishment and manpower resources and have taken decisive steps to trim these and the relevant costs, to a level which can effectively be sustained until there is evidence of an upturn in the UK and in international economies.

£0.8m deficit at Lister

AFTER FALLING from profits of £810,000 to losses of £141,000 at midway, Lister and Co., textile manufacturer, has finished the year to March 31, 1980, with a pre-tax deficit of £843,000 compared with a surplus of £1.14m.

However, the directors say they still have reason to expect an improvement in the current year.

Turnover was static at £39.08m (£39.1m) and the loss was struck after depreciation of £709,000 (£619,000) and charges including interest of £1.96m (£1.13m).

The loss per 25p share is shown as 5.64p against earnings of 8.15p, and the dividend is a nominal 0.1p (1p).

Tax took £43,000 (£89,000) and the attributable loss emerged at £1.72m (£69,000 profit) after extraordinary debits of £820,000.

Results due next week

Hawker Siddeley's first half results should show a little recovery from the same period last year when overseas demand for diesel engines collapsed and the company faced major redundancies. However, no great improvement is expected in the group. Along with other automotive battery makers, Carlton Industries is having a hard time and Gardner Diesel has announced redundancies. HS Canada reported an 18 per cent rise in half-year profit but a lengthy strike in the railway freight wagon works is expected to depress the second half result. Interim profit for the group, to be reported on Wednesday, may be £57m compared with £53.1m last year and a small increase in the 3p interim dividend could be seen.

No one is expecting Brooke Bond Liebig to match its first-half achievement of raising pre-tax profits by 34 per cent when preliminary results are revealed on Tuesday. Renewed expenditure on TV advertising, added to metrication costs may have been partly offset by falling tea prices, but margins on UK tea sales will probably have shrunk. The cost of re-launching the Bushell's range of tea-bags will dampen its second-half contribution, while Argentina, France and the U.S. remain unprofitable. On the brighter side, there should be improved margins on corned beef and bigger sales of coffee in the UK. Pre-tax profits should be close to last year's £41m. Brooke Bond's stake in Mallinson Denny remains at about 29 per cent.

In contrast to Marks and Spencer's cautiously optimistic outlook for the year, analysts expect a cautious statement and a substantial decline in profits from British Home Stores when the interim report appears on Wednesday. As with other retailers, margins are under pressure but in addition BHS faces the cost of increased borrowings to finance its programme of store expansion. Pre-tax interim profits of around £10m are expected, compared to £13.2m in the first half of 1979. A maintained interim dividend of 3.5p is likely.

The shadows of Debenhams and M. and S. may well be lurking nearby on Tuesday when Mothercare unveils its interim figures. Difficult trading in the UK is one reason why analysts are suggesting a fall in pre-tax profits to around £8m against £10.55m in the first six months of 1979. On the Continent there have been pricing problems and lower margins as competition hots up. In the United States the operation will probably continue in loss. By the year-end, however, the company may produce £18m pre-tax against last year's £22.3m. It seems reasonable to expect a maintained interim dividend of 1.62p and the same for the final, leading to a repeat of last year's 5p total net.

Other interim reports due next week include those from UBM on Tuesday, Duport on Wednesday, Gill and Duffus on Thursday and Barec on Friday.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Attock Petroleum	Monday	—	Nil	—
Brooke Bond Liebig	Tuesday	0.915	2.635	1.25
Bryant Holdings	Monday	1.0492	2.9508	1.5
Burgess Products Co. (Holdings)	Thursday	1.0	2.75	1.0
Dunlic Steels	Tuesday	2.1187	4.8813	2.1187
Elcco Holdings	Wednesday	0.9	2.1	1.0
Kalamazoo	Wednesday	1.11	2.64	1.25
London Scottish Finance Corpn.	Monday	0.4575	1.305	0.525
McKechnie Bros.	Thursday	2.0	4.93	2.0
Medminster	Tuesday	1.0	1.25	1.1
Newman Tonks Group	Tuesday	1.5	3.1585	1.65
Paterson Zochonis	Tuesday	3.3	5.7	3.6
Peachey Property Corpn.	Tuesday	1.0	2.0	1.5
Peters Stores	Friday	1.0	2.0	1.5
Pressac Holdings	Wednesday	0.5084	1.4916	0.5084
Saga Holidays	Thursday	2.5	5.0	2.75
Smart (J.) Contractors	Thursday	0.605	2.145	0.66
Spencer Gears (Holdings)	Thursday	0.25	0.65	0.35
Tyzack (W.) Sons & Turner	Wednesday	1.25	1.5†	0.5
INTERIM DIVIDENDS				
Airedale Metal Products	Friday	2.0	5.0	
Barec Group	Friday	1.4604a	4.195	
Bishopsgate Trust	Monday	4.2‡	5.7	
British Home Stores	Wednesday	1.75	2.625	
Brooke Street Bureau of Mayfair	Monday	1.135	3.0	
B S G International	Thursday	0.9575	1.04261	
Clayton Son & Co. (Hldgs.)	Friday	1.5572b	4.6025	
Continental Union Trust	Wednesday	1.75	4.25 ‖	
Duport	Wednesday	2.26039d	3.11634	
Estate Duties Investment Trust	Tuesday	0.72727	1.36364	
Fab International	Monday	0.875	1.575	
Francis Industries	Tuesday	1.75	3.0	
General Scottish Trust	Friday	1.0	1.5	
Gill & Duffus Group	Thursday	3.11481	4.0	
Greenbank Industrial Holdings	Wednesday	0.6	0.74	
Hawker Siddeley Group	Wednesday	3.0	5.0	
Hay (Norman)	Thursday	1.5	1.85	
Hoveringham Group	Wednesday	0.6875	2.1	
Jessel Toynbee	Wednesday	1.75	2.875	
Lilley (F. J. C.)	Thursday	1.54	2.31	
London Brick Company	Tuesday	1.7342	2.632	
London & Northern Group	Wednesday	1.4	2.35	
London & Provincial Poster Group	Thursday	5.0	10.0 ‖	
London Sumatra Plantations	Wednesday	2.0	6.0	
Miller (Stanley) Holdings	Thursday	0.6	0.8	
Minster Assets	Friday	1.6	2.3	
Mothercare	Tuesday	1.71854c	3.38	
Pawson (W. L.) & Son	Friday	1.2	1.95	
Portsmouth & Sunderland Newspps.	Thursday	1.0	2.25	
Smith St. Aubyn (Hldgs.)	Wednesday	3.5	4.5	
Sphere Investment Trust	Thursday	2.3	3.4	
Spirax-Sarco Engineering	Friday	1.66667	2.66667	
Telephone Rentals	Wednesday	1.8	6.7	
Trust Union	Wednesday	1.2	1.5	
UBM Group	Tuesday	2.0	3.5	
Upton (E.) & Sons	Friday	0.75	2.0	
Wilkins & Mitchell	Thursday	0.75	1.46	
INTERIM FIGURES				
Bradford (Robt.) Holdings	Tuesday			
Gosforth Industrial Holdings	Tuesday			

* Dividends shown net pence per share and adjusted for any intervening scrip issue. † Special interim dividend of 1.5p. ‡ Includes non-recurring dividend of 1.4p. ¶ Includes special dividend of 0.7148p. ‖ Second interim.
The following are compensating dividends included to allow for the change in the tax rate: a 0.1604, b 0.1697, c 0.09654, d 0.13366.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

The major development this week in Bids and Deals was yesterday's announcement that Grand Metropolitan's £85m offer for Coral Leisure had been allowed to lapse following reference to the Monopolies Commission.

The Liverpool Daily Post and Echo, which recently warned that its Liverpool morning newspaper may have to close unless major cost reductions were made, announced the acquisition of U.S. concern Panax Publishing for $4.6m. Panax publishes a suburban newspaper and a group of suburban weeklies in Chicago.

Tootal, the Manchester-based international textile group, is acquiring Da Garma, the second biggest South African textile concern. The British group will pay R500,000 (£275,000) initially with an option to purchase the whole of the company before 1990 at a price related to its performance.

Thomas Borthwick, the loss-making international meat trader, sold its 36 per cent stake in Stanbroke Pastoral Company to the Australian Mutual Provident Company, already a majority stake holder in Stanbroke, for £5.36m.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder	Final Acc't'ce date
Prices in pence unless otherwise indicated.						
Aberdeen Invs.	100*	102	86	2.00	Aitken (Eng.)	—
Armitage Shanks	112‡	111	108	29.99	Blue Circle	—
Christy Bros.¶¶	30*	37	33	0.60	Simon and Coates	—
Cumulus Inv.	63	60	45††	3.31	Greycoat Ests.	—
Eng. & O'seas Inv.	17	15¼	14¾††	1.75	Pentos	—
Gough Cooper	120*§	143	102	6.65	Starwest	—
Gough Cooper	145*§	143	127††	11.14	Allied London Properties	—
Kayser Bondor	100*§	46	56	0.67	Courtaulds	—
Kean and Scott	20*‡	109	31	0.36	Hwly. Leisure	—
Laurence Scott	58§	59	60	4.00	Mng. Supplies	—
Le Bas (Edward)	85*	82	53††	2.13	Burch Hldgs.	—
Lidstone	280*	305	290	0.51	Security Exchange	—
Macanie (Lond.)	30*	30	23	0.38	Courtaulds	—
Marshall Cavendish¶¶	31*	31	27	4.60	Times Publshg. Berhad	—
Provincial Cities	51½§§	40	38½	2.50	Brooke Tool	—
Revertex	51§	44	44	7.26	Yule Catto	—
Tanjong Tin	115*§	120	115	1.20	Pahang Cons.	—
Wardle (B.)	25§	29	24	4.89	NCC Energy	—

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ** Based on 17/10/80. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Baldwin (H. J.)	Apr.	286	(383)	3.7	(5.3)	1.0	(—)
Bristol Ship Rep.	Mar.	330	(332)	0.2	(0.4)	0.4	(0.4)
Fairview Estates	June	10,320	(7,180)	90.9	(61.7)	11.86	(7.91)
Glaxo Holdings	June	66,090	(72,270)	24.7	(28.1)	9.5	(8.0)
Goodwin (R.)	Apr.	255	(192)	1.8	(1.1)	0.54	(0.54)
Green (R.) Props.	June	1,350	(1,054)	5.8	(5.0)	2.2	(1.86)
Lake & Elliott	July	230	(1,940)	2.9	(14.0)	2.0	(4.7)
Lawrie Plantation	Dec.	1,990	(5,790)	26.1	(67.7)	18.5	(32.5)
Leaderflush	Mar.	175§	(152)§	4.7	(6.9)	—	(1.03)a
London Shop	Apr.	1,140	(652)	7.1	(3.4)	3.1	(3.05)
Pearce (C. H.)	May	2,050	(1,100)	118.7	(134.7)	11.0	(7.7)
Startrite Engn.	June	428	(681)	19.0	(26.6)	2.25	(2.25)
Thorpe (F. W.)	June	784	(791)	—	(—)	2.45	(2.23)
Throgmorton Sec.	July	439	(333)	3.1	(2.3)	2.58	(2.25)
Tyzack (W. A.)	July	248	(502)	2.9	(4.5)	1.78	(1.78)
Wombwell Fndry.	July	212L	(480)	—	(7.4)	0.37	(1.5)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Aberthaw Bristol	June	1,400	(217)L	3.5	(2.92)
Arcolectric Hldgs.	June	144	(35)	0.23	(0.23)
Ash & Lacy	June	1,410	(1,096)	6.0	(5.5)
Assocd. Biscuit	Sept.	1,250	(5,420)	2.0	(2.0)
Avana Group	Sept.	2,010	(1,590)	2.0	(1.0)
Barr & Wallace	July	35	(1,300)	1.0	(2.25)
Booth Intl.	June	1,430L	(375)	—	(1.58)
Canning (W.)	June	1,010	(527)	1.72	(1.72)
Debenhams	Aug.	1,290	(4,731)	2.04	(2.04)
Ellis & Goldstein	June	408	(601)	0.85	(1.0)
Erith	June	659	(629)	1.25	(1.25)
Fogarty (E.)	June	506	(952)	1.6	(1.61)
Foster Bros.	Aug.	3,120	(4,540)	1.1	(1.0)
Grampian Hldgs.	June	530	(708)	1.5	(1.5)
Harrison (T. C.)	June	1,290	(2,030)	0.92	(0.92)
HME	June	6,670†	(6,450)†	—	(—)
Hunting Gibson	June	1,520	(1,050)	2.0	(1.5)
Jacob (W. & R.)	July	132¶	(85)¶	1.2	(1.2)
Jersey Electricity	June	1,320	(1,300)	4.0‖	(4.0)
Lee Cooper	June	4,320	(4,450)	1.05	(1.05)
Marks & Spencer	Sept.	68,920	(77,380)	1.5	(1.5)
Marshalls Unvrsl.	June	790	(1,410)	—	(2.8)
Michelin	June	8,820	(12,480)	—	(—)
More O'Ferrall	June	1,830	(1,370)	1.1	(0.75)
Mowlem (John)	June	2,510	(2,330)	1.9	(1.75)
Photax (Lond.)	June	248	(245)	1.5	(1.5)
Provident Life	Sept.	460‡	(600)‡	5.2	(4.6)
Reed Executive	June	503	(1,250)	1.5	(1.5)
Rugby Portland	June	9,330	(5,010)	2.2	(2.2)
Scot. Heritable	June	370	(561)	1.0	(1.0)
Secs. Tst. Scotland	Sept.	1,710	(1,350)	1.9	(1.9)
Selincourt	July	452	(1,160)	0.44	(0.7)
Senior Engn.	June	3,030	(2,420)	0.75	(0.75)
Steel Brothers	June	2,600	(2,950)	3.15	(3.15)
Stylo Shoes	July	1,140L	(722)L	—	(—)
Time Products	July	1,370	(1,930)	0.45	(0.45)
United Engn.	July	1,550	(1,030)	1.55	(1.35)

(Figures in parentheses are for corresponding period.)

* Dividends shown net except where otherwise stated. † Pre-tax profits for three months to June 30, 1980. ‡ Profit after tax for first nine months. ¶ In IR£. ‖ Dividend already announced. § Pre-tax profits for 15 months. a Dividend total for 1978. L Loss.

COMPANIES

A. Henriques well down in first half

PRE-TAX profits of Arthur Henriques, Manchester-based clothing manufacturer, reached £77,445 for the first half of 1980, but are well below the £172,838 achieved in the same period last year.

The directors say the second half of 1980 is bound to be difficult but it is at least clear that the group will continue to show profits, although again much lower than last year.

The interim is being effectively maintained at 0.3p per share—the total last year was equal to 1.5p when pre-tax profits were a record £373,380.

Turnover for the first six months amounted to £2.05m compared with £2.54m.

Unless economic prospects deteriorate even further, 1981 should see an increase in trading profits, and thereafter, the board would expect a steadily improving profit trend.

● **comment**

The interim figures from Henriques have little to recommend them except perhaps, that as a clothing group, there is not a loss. After stripping out some £60,000 of interest received the actual profit is a mere £17,000. The second half looks like it will be similar, suggesting a full-year pre-tax profit of around £150,000—a potential year to year slump of 60 per cent. More than 90 per cent of the company's products are sold through three mail order houses in the UK, which helps to explain why business has been so poor. Although the company is now attempting to prepare the path to recovery by branching out into the German mail order business and UK retail chain store supplies neither of these appear to offer any short-term salvation it could be the latter side of 1981 before Henriques begins to rebound. At yesterday's share price of 19p, down 1p, the company is capitalised at £760,000, which is about the size of the cash balance. On a maintained dividend this year the shares could yield more than 11 per cent, but this is hardly relevant. The prospective fully taxed multiple is 10.4, not an obvious buy.

Stothert & Pitt £1.4m in the red at year-end

On turnover down by over £9m from £33.25m to £23.92m, Stothert and Pitt, engineering concern, incurred a pre-tax loss of £1.45m for the year ended June 28, 1980, against a £978,000 profit.

In March the directors reported an interim loss of £926,000 (£709,000 profit) but believed that actions already taken would result in progressive recovery over the following 18 months.

They now state that the year's results are disappointing, and taken in isolation they cannot justify a distribution.

However, in order to demonstrate their confidence in the future and belief that the company will return to profitability, they are paying a token dividend of 1p net per share for the year—last year's total payment was 11.06p.

After tax of £5,000 (£139,000) loss per share is given at 56.6p compared with 35.5p earnings.

Depreciation and interest took £412,000 (£384,000) and £658,000 (£425,000) respectively, and the attributable loss came out at £1.54m against £781,000 profits, after an extraordinary debit of £87,000 (£58,000).

LONDON TRADED OPTIONS

Option	Ex'rcise price	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	April Closing offer	April Vol.	Equity close
BP	330	110	2	126	4	136	—	438p
BP	390	50	23	72	59	90	—	"
BP	420	20	83	48	90	68	30	"
BP	460	—	—	30	63	46	—	"
Com. Union	140	21	5	31	—	36	—	161p
Com. Union	160	3	25	15	1	21	—	"
Com. Union	180	½	—	7	5	13	—	"
Cons. Gold	500	145	2	175	—	190	—	644p
Cons. Gold	550	95	17	130	—	150	—	"
Cons. Gold	600	45	1	90	17	115	—	"
Cons. Gold	650	6	169	60	34	95	—	"
Cons. Gold	700	½	150	40	24	65	—	"
Courtaulds	50	14	—	17	—	19	13	64p
Courtaulds	60	5	—	8½	26	13½	—	"
Courtaulds	70	½	—	6	78	9	6	"
Courtaulds	80	¼	—	3	5	—	—	"
Courtaulds	90	¼	1	2	—	—	—	"
GEC	460	75	2	95	—	122	—	536p
GEC	500	35	48	68	—	92	—	"
GEC	550	3	17	38	92	62	3	"
Grand Met.	140	17	56	26	—	32	2	157p
Grand Met.	160	1	18	12½	24	20	2	"
ICI	330	4	—	28	100	54	—	328p
Land Secs.	360	38	23	56	1	—	—	391p
Land Secs.	390	4	15	32	2	48	—	"
Land Secs.	420	1	—	17	1	34	—	"
Marks & Sp.	80	30	10	32	2	—	—	109p
Marks & Sp.	90	20	28	23	92	28½	—	"
Marks & Sp.	100	10	28	14½	164	21	—	"
Marks & Sp.	110	3	78	9	144	15	5	"
Shell	390	54	33	78	—	90	—	443p
Shell	420	24	67	56	24	72	—	"
Shell	460	4	14	35	21	50	—	"
Totals			913		1,003		59	
		November		February		May		
Imperial Gp.	80	3	—	7½	8	10	—	76p
Imperial Gp.	90	¾	—	4	—	5½	2	"
Lonrho	100	—	—	—	—	35	1	118p
Lonrho	104	15	80	25	—	—	—	"
Lonrho	110	—	—	—	—	24	30	"
Lonrho	114	7½	135	16½	50	—	—	"
Lonrho	120	4½	12	14	3	20	2	"
P. & O.	110	11	5	15½	10	—	—	116p
P. & O.	120	5½	—	10½	3	—	—	"
Racal Elec.	300	32	40	50	—	65	—	325p
Racal Elec.	360	4	—	21	—	38	1	"
RTZ	414	55	1	70	5	95	—	460p
RTZ	454	25	117	45	1	65	—	"
RTZ	494	10	121	25	2	45	2	"
Totals			511		82		28	

CORAL INDEX: Close 478-483 (unchanged)

UK NEWS

Andrew Fisher assesses the betting industry's troubles

Coral gambles for time over £84m bid

It has not been an easy week for the Coral Leisure Group. After a noisy meeting with shareholders arguing fiercely about the chairman's record compensation, the announcement came yesterday that the agreed £84m bid from Grand Metropolitan was being referred to the Monopolies Commission.

It had always been possible that the Government would hand the proposed bid by the hotels and brewing group to the commission for scrutiny, the main issue being whether it would lead to undue concentration in the betting shop sector.

Since the £300,000 compensation agreed for Mr. Nicholas Coral, chairman of Coral Leisure, was dependent on the offer going through, he will now have to wait for the outcome of the probe to find out if he will receive the money.

Grand Met, clearly disappointed that its bid would have to lapse after most shareholders had signalled their acceptance, intends to make up its mind early next week on its response to the referral.

"We are evaluating the various series of options," said managing director Mr. Stanley Grinstead yesterday. The bid passed its first closing date on Thursday, with Grand Met having control of 79.5 per cent of the Coral shares, including almost 7 per cent it had picked up in the market itself.

Grand Met could, if it wished, simply walk away from Coral and say that the arrival of the Monopolies Commission on to the scene had made it to lose interest. Or it could hang on and bid again if it finally received the official go-ahead.

Meanwhile, Coral itself continues to face severe financial and operational problems with a mountain of debt, shrinking profits and the loss of most of its London casino licences against which it plans to appeal.

Last year, casinos accounted for roughly a third of Coral's trading profits of just over £33m, with the betting offices responsible for nearly 15½ per cent. Grand Met, which does not reveal separate profits for the two areas gained 8½ per cent of its £175.7m of trading profits from betting and gaming.

Grand Met and Coral said Mr. Grinstead would together have about 10 per cent of betting shops in the UK and nearly a quarter of those in Greater London. Mecca, the Grand Met entertainment subsidiary, has 650 shops and Coral has around 630.

This compares with Ladbroke, the market leader among the four major operators on the betting scene, which has more than 1,000 shops and last year accounted for 15 per cent of the national turnover from 8 per cent of the shops. The other member in major league is William Hill, part of Sears Holdings, which runs some 850 betting shops.

In 1978, the Royal Commission on Gambling, headed by Lord Rothschild, said these four companies had just under 24 per cent of Britain's 13,250 betting offices, but attracted around 35 per cent of the total turnover because of their larger size and better locations.

Mr. Grinstead said yesterday that the combined forces and reputations of Coral and Grand Met, gave punters confidence that they would not be badly treated.

As far as the reference to the Monopolies Commission was concerned, however, he said he did not see that the size of the proposed operation was a reason for holding up the merger.

The arguments used to justify the reference to the commission revolved in part around the likely effect on competition and consumer choice in betting shops and casinos. It is also likely to look at the regulatory aspects of betting. But the commission will also be looking to see whether Grand Metropolitan will be given a competitive edge by the merger by being able to supply its own products to Coral's divisions.

The most notable example includes the Pontin's holiday camps, expensively acquired a few years ago.

The Rothschild report recommended that the Government should organise a study of bookmaking finances, possibly through the Office of Fair Trading and the Monopolies Commission. But the decision to refer the Grand Met bid for Coral does not follow from this suggestion, Government officials said yesterday.

Clearly, the decision to refer the bid did not come as a complete surprise unlike the investigation of the agreed offer by Blue Circle, the cement group, for the Armitage Shanks sanitaryware company. It has, however, caused just as much confusion for the two hotel and leisure companies.

The lapsing of the bid leaves Coral with a host of unanswered questions. The company had tentatively agreed to sell its Centre Hotels division, a loss-maker after interest payments, to Taj Hotels of India. The deal would have been worth some £27m for about two-thirds of Centre. Talks have now stopped and Grand Met has said it will take the hotels itself if no better offer is forthcoming.

There is also the question of Coral's casinos. Licences for three of its four London clubs were cancelled recently after last November's massive police raids. However, Coral's appeal may be affected by Playboy Club's success this week in winning its appeal to keep running the Victoria Sporting Club bought last year after police raids in 1978 which led to loss of the licence and disqualification of the premises.

Both waiting: Mr. Maxwell Joseph, chairman of Grand Metropolitan Hotels and Mr. Nicholas Coral, chairman of Coral Leisure

Closer EEC links on consumers urged

FINANCIAL TIMES REPORTER

FREQUENT, EARLY and fuller consultation between EEC Consumer Affairs Ministers was advocated yesterday by Mrs. Sally Oppenheim, the Consumer Affairs Minister. But she emphasised that these contacts should in no way undermine the position of the EEC Commission.

Mrs. Oppenheim was speaking in the closing session of the first symposium of European consumers' associations. The Paris discussion on economic power of consumers was organised by M. René Monory, French Minister of the Economy.

The European Commission gave active support to the three-day meeting.

It was important that EEC Ministers should have early and direct contact on consumer issues, helping to make proposed legislation affecting consumers, with possible wide-ranging implications, feasible, said Mrs. Oppenheim. They should not proceed unless the need was established after full Ministerial consultation.

Although consumers were the catalyst that would cause industry to become more efficient and competitive, Mrs. Oppenheim said, "unreasonable consumer pressure" on business or industry should not be imposed during a worldwide recession.

Instead, she would like to create a framework "in which consumers could be as effective as possible."

All governments, she said, should ensure that the balance between claims of various interests which competed and sometimes conflicted did not harm the economy.

A shift in EEC consumer policy away from binding legislation and toward a more voluntary method of protecting consumer interests was hinted at by Mr. Richard Burke, the European Commissioner responsible for consumer affairs.

He said that specific programmes for legislation in the EEC's second consumer programme would be introduced only if they formed "an essential basis for progress."

Mr. Burke told the meeting that consumer protection "could be just as dangerous as other types of protectionist policies."

M. Monory earlier was host at an informal working luncheon attended by Mrs. Oppenheim and other European Ministers and officials.

The West German Government will try to organise an EEC Consumer Affairs Council of Ministers meeting when it next holds the Presidency of the Council, said the West German Ambassador to France.

Electricity Board accused of flouting 'cut-off' code

BY MARTIN DICKSON, ENERGY CORRESPONDENT

THE London Electricity Board has been accused of flouting a code of practice agreed by the electricity supply industry to help prevent the disconnection of supplies to needy customers.

The accusation was made in a pamphlet written by Mr. Peter Levin, a lecturer at the London School of Economics, and published by the Child Poverty Action Group. Mr. Levin's report was originally prepared for the London Electricity Consultative Council, which decided not to publish it.

Mr. Levin urged the Child Poverty Action Group to publish the report on the grounds that the LEB had begun a "blitz" earlier this year on consumers who were in debt and that customers in hardship were being treated with greater severity.

Mr. Levin claims to have come across a number of cases "in which the LEB was simply not honouring the code of practice intended to protect consumers."

He says that people in hardship who were disconnected included a diabetic who depended on his refrigerator to store his insulin supplies and a housebound, widowed pensioner who could not respond to a demand for immediate payment of £138 in arrears.

The LEB acknowledged that it made unintentional mistakes. But a spokesman rejected "Mr. Levin's accusations of sharp practices and unacceptable behaviour" and insisted the LEB abided by the code of practice.

Cheap rail fare 'anomaly' ends

COMMUTERS travelling from some stations on British Rail's Eastern Region services face fare increases of up to 90 per cent.

From November 30 passengers travelling from Letchworth, Baldock and Royston, Herts, to Kings Cross will be unable to purchase cheap day return tickets for trains arriving in London before 10 am.

British Rail said that commuters from the three stations had been benefiting from an "anomaly" and the services were being brought into line with other fare restrictions.

Factory purchase

BRITISH NUCLEAR FUELS has bought a Courtaulds factory near Workington, Cumbria, which closed two months ago with a loss of nearly 300 jobs.

Furniture trade optimism

THE RATE of business decline in the British furniture industry has apparently slackened, according to Mr. Malcolm Perring, new chairman of the Furniture Information Council, writes James McDonald.

"We believe that the severe de-stocking which took place in the first six months of the year is virtually at an end," he says.

Official figures for the first eight months of the year indicated a drop of 15 to 16 per cent in volume terms for the furniture industry, compared with the same period last year. But Mr. Perring suggests that this estimate does not take into account the extensive price cutting which has taken place in both the manufacturing and the retailing sectors. Although this has been bad for profit margins, it meant that the fall in volume was probably only about 12 per cent, "not quite as bad as was feared."

New anti-arthritic drug

DISTA PRODUCTS, part of the U.S.-based Eli Lilly group, has launched a new anti-arthritic drug—brand-named Opren—on the UK market. The company, which has spent £20m developing the drug, believes it may actually be able to halt and reverse the disease as well as reducing pain and inflammation.

The company said that it would not know for another year at least whether Opren could definitely stop the spread of arthritis in the body.

Tests on animals suggested the drug did attack the disease process itself. But clinical trials on human patients would continue for another two years.

EEC funds for Belfast 'depend on London'

By Stewart Dalby

MR. ROY JENKINS, President of the Common Market Commission, attempted to clear the confusion in Belfast yesterday about EEC funds for the development of the city.

He was opening the first EEC information office in Belfast and said that the commission had been evolving a plan to develop the city. It would cost between £350m and £375m over five years.

Mr. Jenkins said he thought the EEC could possibly raise £100m.

But he emphasised that the investment was totally conditional on the British Government finding the remaining funds.

Confusion had been caused by a speech delivered by Mr. Richard Burke, the Irish Commissioner, 10 days ago in Belfast which implied that the £100m was on table irrespective of the British Government's plans. This is not the case, Mr. Jenkins said.

Midland interests to come quarterly

MIDLAND BANK deposit account customers are to receive interest payments quarterly rather than half yearly, starting in March.

The last of the clearing banks to move to quarterly charges, Midland becomes the first of the "Big Four" to pay interest quarterly.

McAdden verdict

THE DEATH of Sir Stephen McAdden, Tory MP, in a fall on Boxing Day was an accident, Dr. Arthur Gordon Davies, a coroner, said yesterday. An inquest was held because Sir Stephen's widow had said she was not happy about the cause of death.

Antique forgery

WHAT LOOKED like a 10th century Arab silver coin excavated on the Viking site at Coppergate, York, was in fact a 10th century forgery made largely from copper, York Archaeological Trust said yesterday.

Restoration appeal

RESTORATION APPEAL -to da A £30 000 public appeal is being launched today for the restoration of one of Shrewsbury's largest half-timbered buildings, The Fellmongers, built in 1580 to serve the wool trade.

Orkney hulks

ORKNEY ISLANDS Council is considering the purchase of the eight remaining hulks of the German High Seas fleet still at the bottom of Scapa Flow and to use them as a tourist attraction.

Gatwick night-shift

A 120-TON 80 ft length of the old North Pier at London-Gatwick airport is to be moved 1,000 yards in a night-time operation. The structure forms the walkway for passengers.

Visitors to Britain spend £405m

By James McDonald

ALTHOUGH more UK residents went abroad in July than visitors who came to Britain, there was a surplus of £105m on the travel account, according to latest Government statistics.

The official magazine, British Business, reports that 1.69m people came to the UK during the month—3 per cent more than in July last year—while visits abroad by British residents, at 1.95m, were 8 per cent higher than a year before. Overseas visitors spent £405m in Britain, while UK residents £300m abroad.

During the second quarter of the year 3.24m people visited the UK, about the same number as in the same period last year.

WORLD STOCK MARKETS

NEW YORK

Early 4.18 loss on Wall St.

A RISE in the Prime Rate added to investor worries about interest rates and prices were lower again on Wall Street yesterday.

By 1 p.m. the Dow Jones Industrial Average was down a further 4.18 to 954.52, reducing its rise on the week to 3.84, while the NYSE All Common Index, at $75.75, shed 62 cents on the day and a net 41 cents on the week. Declines led advances by a two-to-one majority in a volume of 34.28m against 45.34m at 1 p.m. on Thursday.

Chase Manhattan raised its Prime Rate to 14 per cent from 13½ per cent and was followed by several major banks. They joined Citibank which set a 14 per cent Prime Rate on October 2. The rise added to worry over Salomon Brothers partner, Henry Kaufman's remarks on Thursday that Long Term Bond yields could be in double digits for some time.

Volume leader **Boeing** added $½ at $37½—it received a $1.47bn Nato contract to build special Air Defence radar aircraft. Blocks of 200,000 and 425,000 Boeing shares moved at $37½. Thursday Boeing lost more than $3.

Oil and Technology issues were weak. They had been in the forefront of the market's advance for months. Active **Exxon** lost $¾ to $77½, **Standard Oil Company of California** $¾ to $88¾, **Halliburton** $2½ to $144¾, **Santa Fe International** $2¾ to $59½ and **Mobil** $1½ to $77½.

Active **IBM** shed $½ to $68½, **Computervision** $2¾ to $61⅞, **Burroughs** $1¾ to $55⅞ and **Honeywell** $1 to $90½.

Westinghouse gained $1¼ to $29½, while **Teleprompter** eased $⅝ to $33⅞—Thursday, Teleprompter jumped nearly $6 but Westinghouse declined $⅞ after news Westinghouse would buy Teleprompter for $38 a share.

Texaco were off $¾ to $38⅞, despite plans for a fourth well in the Baltimore Canyon, off New Jersey.

Closing prices for North America were not available for this edition.

THE AMERICAN SE Market Value Index lost 1.89 to 356.11, reducing its rise on the week to 7.56. Volume dropped 6m shares to 4.22m.

Oils were weak. Volume leader **Gulf Canada** slipped $¼ to $26¼, **Husky Oil** $½ to $15⅝, **Dome Petroleum** $¾ to $67½ and **Imperial Oil "A"** $¾ to $37⅞.

Canada

Markets were mostly lower around mid-day yesterday, when the Toronto Composite Index shed 3.5 to 2355.6.

The Metals and Minerals Index lost 13.8 to 2432.2, Golds 51.3 to 5906.5 and Banks 1.08 to 379.40. But Oil and Gas put on 32.0 to 4969.7. Utilities 0.92 to 280.79 and Papers 0.97 to 202.14.

Canadian prices

Due to a technical fault, Canadian prices published in yesterday's edition were not updated to show Thursday's closing levels. Available corrected values have been included in today's display.

Australia

Trading was cautious and *movements mixed as operators* squared positions ahead of today's Federal election.

Conflicting views on the outcome of the poll showed up in the sensitive Uranium sector where **Peko's** 50-cents fall to $A11 and **EZ's** 30-cents loss to $A6.50 were countered by a 16-cents gain by **Pancontinental** to $A7.76 and a 20-cents rise to $A6.30 by **Kathleen Investments**.

The uncertainty was also evident in the Oil sector where **Vamgas** added 30 cents at $A6.30 on the strength of Thursday's announcement of an oil flow in the Cooper Basin, while partner, **Santos**, slipped 10 cents to $A13.80.

Poseidon led Golds with a 30-cents rise to $A7.10.

In other trading, **BHP** put on 10 cents to $A15.50, **CSR** slid 16 cents to $A7.10, **WMC** slipped 14 cents to $A5.66, **MIM** gained 10 cents to $A5.30 and **CRA** shed 5 cents to $A6.31.

Greenbushes Tin, which nearly doubled in price Thursday after the announcement of a huge tantalum discovery, came back $A1.70 to $A10.50, while major shareholder, **Vultan Minerals**, reacted $A2 to $A5.50.

Singapore

Prices surged to all-time highs on improving volume. The Straits Times Industrial Index *climbed 19.74 to 651.35.*

Fully shaking off nervousness over an attack by Muslim fanatics on a police station in Malaysia on Thursday, and looking forward optimistically to the new Malaysian budget, which began to be released towards the close of trading, the market jumped off to an early rise.

Tin smelter **Straits Trading** continued its spectacular rise, shooting up another 95 cents to S$9.40—it has substantial shareholding in several Malaysian Tins and some Property in Singapore, all of which is considered by most observers to be undervalued in its books, reflecting the treatment of assets followed by all members of the OCBC stable.

Tokyo

Higher on "cheap" buying, with many dealers anticipating Japanese Corporations may change surplus funds investment to stocks from short-term Money Markets, reflecting the recent downtrend of interest rates.

Large Capitals, Blue Chips, Light Electricals and Shipbuildings led the recovery with **Matsushita Electric** rising Y12 to a year's high of Y893.

Germany

Leading shares closed down in moderate trading.

Lower prices on overnight U.S. markets influenced trading and the sharply higher dollar/mark rate put added pressure on Domestic shares.

Preussag eased to DM 131.5—it announced higher zinc prices during market hours, although dealers said this had probably not influenced trading.

The Domestic Bond Market took a sharp downturn, with the Bundesbank buying DM 32.5m of stock on the open market as Public Authority Bond prices shed up to DM 0.50.

Mark Eurobonds were also depressed, with losses of up to a full percentage point.

Paris

Prices tended weaker in quiet trading, reflecting Thursday's news of a higher September trade deficit and Wall Street's overnight weakness.

All sectors showed losses, with **Esso** shedding Frs 9 to 298 and **Cie Francais des Petroles** Frs 3 to 225.

Despite higher first-half pretax profits, **Cie Generale d'Electricite** shed Fr 1 to 369.

BIC also lost Frs 1 to 566, despite higher parent company turnover for the first nine months.

Peugeot added Frs 1.4 at 181.4, although its Citroen subsidiary said it will lay off workers temporarily to restrict stock growth.

Switzerland

A weak performance overnight on Wall Street led to profit-taking and most Swiss stocks were slightly lower in brisk activity, although volume was termed as "relatively small."

Foreign issues closed lower across a broad front. U.S. prices were quoted just above Thursday's Wall Street levels, if a 1.65 Swiss-Franc conversion rate were used.

Milan

Generally higher on the day of Settlements, and several issues hit their highest levels for the operative month. Volume was heavy and the busy session lasted two hours longer than usual.

Johannesburg

Gold shares closed lower in fairly active trading, with some *overseas selling noted.*

Heavyweights fell by 200 cents, while Medium and Lightweights lost up to 50 cents.

Indices

NEW YORK — DOW JONES

	Oct. 16	Oct. 15	Oct. 14	Oct. 13	Oct. 10	Oct. 9	1980 High	1980 Low	Since Cmpil't'n High	Since Cmpil't'n Low
●Industr'ls	956.70	972.44	962.20	959.90	950.68	958.96	974.67 (22/9)	759.13 (21/4)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me B'nds	67.46	67.46	67.42	67.34	67.30	67.06	76.61 (25/6)	65.87 (28/3)	—	—
Transport	356.21	354.79	353.05	352.70	350.08	349.20	356.21 (16/10)	235.69 (27/3)	356.21 (16/10/80)	12.23 (8/7/32)
Utilities	112.86	113.90	113.04	113.00	113.11	113.40	116.88 (6/7)	96.04 (27/3)	163.32 (20/4/69)	10.52 (28/4/42)
TradingVol 000's	65,450	46,260	48,650	51,360	44,040	43,980	—	—	—	—

●Day's high 987.29 low 956.57

	Oct. 10	Oct. 3	Sept. 26	Year ago (approx)
Ind. div. yield %	5.66	5.66	5.73	5.93

STANDARD AND POORS

	Oct. 16	Oct. 15	Oct. 14	Oct. 13	Oct. 10	Oct. 9	1980 High	1980 Low	Since Cmpil't'n High	Since Cmpil't'n Low
‡Indust'ls	150.84	152.64	150.50	150.67	148.29	149.27	152.64 (15/10)	111.09 (27/3)	152.64 (15/10/80)	3.52 (30/6/32)
†Composite	142.22	135.70	132.02	132.03	130.29	131.04	135.70 (15/10)	98.22 (13/3)	135.70 (15/10/80)	4.40 (1/6/32)

	Oct. 15	Oct. 8	Oct. 1	Year ago (approx)
Ind. div. yield %	4.37	4.42	4.68	5.30
Ind. P/E Ratio	9.09	9.12	8.82	7.67
Long Gov. Bond Yield	11.41	11.48	11.79	9.86

N.Y.S.E. ALL COMMON

Oct. 16	Oct. 15	Oct. 14	Oct. 13	1980 High	1980 Low
76.37	77.24	76.32	76.28	77.24 (15/10)	55.30 (22/3)

Rises and Falls	Oct. 16	Oct. 15	Oct. 14
Issues Traded	1,950	1,930	1,906
Rises	543	945	815
Falls	1,028	686	700
Unchanged	364	399	391
New Highs	216	160	150
New Lows	7	4	5

MONTREAL	Oct. 16	Oct. 15	Oct. 14	Oct. 13	1980 High	1980 Low
Industrial	405.65	406.10	394.57	(c)	425.80 (29/2)	323.21 (27/3)
Combined	377.25	378.47	367.84	(c)	378.30 (29/2)	296.30 (27/5)
TORONTO Composite	2359.1	2,356.8	2,311.2	(c)	2359.1 (16/10)	1702.5 (27/3)

	Oct. 17	Oct. 16	Oct. 15	Oct. 14	1980 High	1980 Low
AUSTRALIA						
Sydney All Ord. (1956:59)	987.85	972.52	958.27	967.88	997.50 (8/10)	760.00 (2/1)
Metal & Minrls. (1956/59)	6418.95	6487.55	6529.81	6428.16	6690.95 (14/2)	4581.26 (29/3)
AUSTRIA						
Credit Aktien (2/1/62)	67.78	67.24	67.19	67.54	69.40 (7/1)	65.59 (19/8)
BELGIUM						
Belgian SE (31/12/63)	97.94	98.01	99.66	90.68	105.75 (11/2)	89.91 (16/10)
DENMARK						
Copenhagen SE (1/1/73)	95.27	95.95	96.01	94.21	95.95 (16/10)	74.78 (5/8)
FRANCE						
CAC General (29/12/61)	115.4	116.0	116.0	115.4	117.8 (22/9)	97.1 (3/1)
Ind Tendance (28/12/79)	117.6	117.6	117.5	116.6	118.4 (15/9)	95.6 (3/1)
GERMANY						
FAZ-Aktien (31/12/58)	254.27	255.60	255.48	255.94	258.89 (25/2)	212.76 (28/3)
Commerzbank (Dec. 1953)	752.4	756.1	756.2	758.9	748.2 (25/2)	667.0 (27/3)
HOLLAND						
ANP-CBS General (1970)	86.8	87.0	86.9	86.9	88.9 (26/7)	74.0 (27/3)
ANP-CBS Indust. (1970)	65.3	65.7	64.6	64.7	63.2 (11/1)	58.2 (28/3)
HONG KONG						
Hang Seng Bank (31/7/64)	(c)	1450.04	1404.80	1364.65	1450.94 (16/10)	738.9 (19/3)
ITALY						
Banca Comm. Ital (1972)	155.18	151.25	149.54	146.40	155.18 (17/10)	88.11 (2/1)
JAPAN						
Dow Average (16/5/49)	7169.26	7151.78	7174.27	7157.80	7174.27 (15/10)	6475.93 (27/3)
Tokyo New SE (4/1/68)	49,763	496.60	496.89	495.22	497.85 (17/10)	449.91 (10/3)
NORWAY						
Oslo SE (1/1/72)	125.65	127.14	126.44	124.95	144.70 (14/2)	110.72 (28/6)
SINGAPORE						
Straits Times (1966)	651.35	651.61	625.51	613.19	651.35 (17/10)	429.76 (5/1)
SOUTH AFRICA						
Gold (1958)	—	(u)	967.6	981.1	1026.1 (22/9)	649.5 (2/7)
Industrial (1958)	—	(u)	676.9	615.0	627.1 (8/9)	466.0 (2/1)
SPAIN						
Madrid SE (28/12/79)	110.12	109.72	109.81	109.64	111.17 (16/9)	95.76 (13/5)
SWEDEN						
Jacobson & P. (1/1/58)	565.89	566.80	559.93	554.86	586.98 (8/2)	364.72 (17/1)
SWITZERLAND						
Swiss BankCpn. (31/12/58)	304.5	304.8	304.7	304.6	317.9 (11/2)	276.0 (28/4)
WORLD						
Capital Intl. (1/1/70)	—	160.2	161.0	155.7	161.0 (15/10)	120.6 (27/3)

Base values of all indices are 100 except NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 industrials. § 400 industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

NEW YORK ACTIVE STOCKS

Thursday	Stocks traded	Closing price	Change on day
Boeing	1,190,600	37½	−3½
Texaco	1,115,300	39¼	+¼
Teleprompter	578,600	34½	+5⅞
Westinghse. Elc.	746,500	28	−⅛
IBM	929,200	68⅝	−1½
Gulf Oil	778,200	46¾	−⅛
Computer Scncs	639,800	19¾	−1⅞
Mobil	649,800	78⅞	−1⅞
Occidental Pet	621,700	32	−½
Storage Tech.	803,000	23⅝	−¾

CANADA

BELGIUM (continued)

HOLLAND

AUSTRALIA

JAPAN (continued)

DENMARK

FRANCE

ITALY

NORWAY

HONG KONG

SWEDEN

GERMANY

SOUTH AFRICA

SINGAPORE

SWITZERLAND

AUSTRIA

BELGIUM/LUXEMBOURG

BRAZIL

Financial Rand US$ 0.85¾ (Discount of 28%)

New offer to Amoy Canning minority

By Our Hong Kong Correspondent

THE HONG KONG Supreme Court has at the request of Amoy Canning's board, decided not to sanction a "scheme of arrangement" whereby Hang Lung Development was to complete its takeover of Amoy Canning, with the purchase of a 37 per cent stake from minority shareholders at a cost of about HK$178.5m (US$35.7m).

The scheme had been approved by shareholders at a meeting on September 25, but the directors made the request because 23 per cent of the shareholders voted against the scheme.

Hang Lung has promised instead to make the offer of HK$9.65 a share unconditional. Hang Lung (through a subsidiary) bought a 63 per cent stake in the company from the Sime Darby group in July, and was obliged under Hong Kong's Takeover Code to make an offer for the rest of the shares a tthe price it paid Sime Darby.

Amoy Canning's directors and their financial advisers, Schroders and Chartered, had recommended the scheme to shareholders, although the offer was considered too low by some shareholders because Amoy's net asset value per share had been calculated at HK$9.97 on June 30.

Those shareholders who wanted to continue their affiliation could still do so under the unconditional offer that Hang Lung must now make, while others will be able to sell their shares.

Amoy Canning's assets are mainly property holdings, but it also operates a canning plant

Strong rise in earnings at Swedish paper group

BY WESTERLY CHRISTNER IN STOCKHOLM

MODO, THE SWEDISH pulp and paper group, advanced pre-tax profits by 58 per cent to SKr 198m ($47.5m) during the first eight months of this year, up from SKr 125m a year earlier. Group sales rose by 20 per cent to SKr 2.4bn ($576m) during the eight months against SKr 2bn.

Stock price gains included in the pre-tax figure fell to SKr 45m from SKr 68m during the period. An estimated SKr 20-30m was lost because of this Spring's labour disruptions in Sweden.

MoDo expects that a dampening demand for pulp, fine paper and consumer products will lead to a fall-off in profits during the last four months, but despite this the group is forecasting improved earnings for 1980 as a whole compared with a pre-tax profit of SKr 273m on sales of SKr 3.12bn during 1979. The forecast is in line with an earlier one given by the board.

MoDoCell, the pulp division, increased its operating profit to SKr 192m from SKr 151m during the eight months, on sales of SKr 1bn, basically unchanged from the corresponding time last year. MoDoPapper, the paper unit, recorded an operating profit drop of SKr 3m during the period, to SKr 96m, while sales rose to SKr 1.1bn against SKr 804m.

For the MoDo consumer products division, operating earnings doubled to SKr 37m, mainly due to the strong demand for soft paper products on the Continent. Sales rose to SKr 478m from SKr 389m. The MoDoMekan engineering division continued to show an operating loss, unchanged from SKr 9m on sales of SKr 91m against SKr 82m.

INI to lift investment by 28%

BY ROBERT GRAHAM IN MADRID

THE SPANISH state holding company, INI, will invest Pta 255bn ($3.6bn) next year, 60 per cent of which will be earmarked for the energy sector. This reflects both the Government's move to accelerate energy investments and to give the state a greater role in this sector.

During an outline of the group's strategy over the next five years given by Sr. Jose Miguel de la Rica, the president, and top members of the INI staff, it emerged that between 1981 and 1985 INI plans to invest Pta 1,700bn at 1980 prices. INI now directly controls 73 companies whose activities span steel-making, shipbuilding and foodstuffs manufacture to power generation and oil exploration.

Overall, INI's investment for the coming year will be 28 per cent higher than this year. Even taking account of inflation, this represents a substantial increase and underlines the growing importance of the public sector in the economy.

The main increase comes from energy and energy-related investment which will rise almost 50 per cent from Pta 104bn to Pta 153bn. This will be principally devoted to the development of already approved coal-fired power stations and to cover INI's greater role in the nuclear sector.

The group has divided activities into three broad headings: energy, crisis sectors and others. The crisis sectors cover those areas such as steel, shipbuilding and the automotive industry, principally SEAT.

Investments in the crisis sectors will amount to Pta 32bn. Sr. Fernando Rubio, INI's finance director said that the group's financial needs for 1981 would total Pta 425bn, of which Pta 107bn would cover debt payments. A further Pta 62bn would cover current expenditures.

Referring to the group's losses for the coming year, Sr. de la Rica said that they were expected to be Pta 34bn. This compares with estimated losses of Pta 48bn for this year.

Gulf reinsurance talks shelved

BY JOHN ROBERTS

Lloyd's of London has refused reinsurance cover to a rival war risk insurance market, run by Middle East insurance interests, until the hostilities between Iran and Iraq are ended.

The Arab War Risks Syndicate, which plans to start underwriting operations on January 1, could pose a long-term threat in a field traditionally dominated by Lloyd's. It held extensive talks in London with a Lloyd's consortium late last month.

Lloyd's said yesterday that negotiations between the syndicate and the three-company consortium consisting of London brokers Alexander Howden, J. H. Minet and C. T. Bowring "have been temporarily suspended while the Iran-Iraq war continues."

The Syndicate, which is managed by the Iraq Reinsurance Company, was founded after Lloyd's decided last year to raise its war risk premiums—as with extra charge on the hull value of ships.

Lloyd's said yesterday: "We expect talks to resume, once the hostilities have ceased but added: "How can you talk about war risks, when there's a war on?"

Dr. Mustapha Rajab, who heads the syndicate, said last week that he expected the syndicate to start underwriting on schedule on January 1.

Lloyd's believes that "at this stage there is no reason for this date not to be met—provided hostilities wind down in the reasonably near future, enabling negotiations to resume."

Profits dip at Pirelli holding company

By John Wicks in Zurich

A SLIGHT dip in profits for the year ended June 30, from SwFr 28.3m to SwFr 27.7m ($16.80m), was reported by Société Internationale Pirelli, the Swiss holding company of the Italian financial and industrial group.

Despite a rise in sales volume of nearly 8 per cent, the year "was not an easy one" for subsidiaries, the company said in its annual report.

It is recommending an unchanged dividend of SwFr 15 per share.

The total dividend to the holding company from direct subsidiaries declined over the year, because of exchange rates and losses by some subsidiaries. These included Produtos Pirelli SA, the Argentinian group and Pirelli Ericsson Cables in Australia.

While companies controlled by Dunlop International, in which the Basle-based holding company has a 20 per cent interest, generally experienced a much better year in 1979, the Dunlop parent company itself paid a lower dividend than in 1978.

"We were thus unable to profit from the compensation which had been one of the main reasons for geographical diversification when the Pirelli-Dunlop union was formed in 1971," the Pirelli report said.

Turnover of the Swiss company's own subsidiaries was up by 11 per cent in value terms in calendar 1979, reaching SwFr 2.95bn ($1.79bn).

Although conditions remained difficult in such countries as Argentina and Spain, Pirelli reports a favourable start for this calendar year. In the first half volume sales were up 10 per cent and profit levels improved.

This sales growth excludes the French company Tréfi-câble Pirelli, which became part of the group January 1 after the purchase of the insulation cable division of Pechiney-Ugine-Kuhlmann, the aluminium and chemicals group. Annual sales of this new subsidiary are more than FFr 1bn ($239m).

Itel's ability to survive questioned by auditors

BY DAVID LASCELLES IN NEW YORK

SERIOUS DOUBTS about the ability of Itel, the debt-ridden San Francisco leasing company, to remain in business have been raised by its accountants, Peat Marwick Mitchell. The company also said that an earlier plan to restructure its bank debt had had to be "reviewed" in the light of worsening finances.

Itel owes about $1.2bn to a wide variety of lenders, including Eurobond investors and a number of European banks.

In a report accompanying Itel's long delayed 1979 financial statement, the accountants said Itel's problems are of "extraordinary magnitude and involve significant uncertainty about Itel's ability to continue as a going concern." The report showed that Itel lost $443.3m on revenues of only $223.8m in 1979, and that, as of the end of last year, it had a negative net worth of $207m.

Itel's future hangs on its ability to restructure about $460m of bank debt. But the company said that an earlier preliminary agreement with its six leading bank creditors had been reviewed "in a less favourable light," and that unless a new plan could be approved, Itel might have to take refuge in the Bankruptcy Laws.

Approval of the plan is also a precondition for Itel to resume payments on its U.S. and European bonds.

One reason for problems over the restructuring is the delay in Itel's negotiations with Lloyds of London over $200m of computer lease insurance claims. Itel has warned that it might have to resort to legal action

Alcoa and Reynolds see decline

BY OUR NEW YORK STAFF

A YEAR LONG boom in the U.S. aluminium industry reached its end in the third quarter of 1980 according to results announced by the country's largest producers, Aluminum Company of America (Alcoa) and Reynolds Metals.

Alcoa, which accounts for about one-sixth of the aluminium produced outside the Communist world, reported a 30 per cent drop in profits to $74.7m. It maintained shipments at around 450,000 tons, with increased exports making up for a decline in domestic shipments.

Sales and operating revenues rose 7.6 per cent to $1.26bn, but according to Mr. W. H. Krome George, chairman, profits were affected by higher energy costs, by a shift in product mix and by increased labour costs in June, a new wage contract, which will raise wages and fringe benefits by 36 per cent over three years, came into force.

Profits for the first nine months were $367.1m or $10.29 per Common share, compared with $369.5m or $10.47 last year. Sales and operating revenues were up 8.4 per cent at $3.85bn.

Reynolds has also increased exports in order to cushion itself against the 7 per cent decline in total U.S. domestic aluminium shipments which Mr. David Reynolds, chairman, expects this year. Third quarter earnings were up slightly, at $36.6m or $1.88 per share, from $35m or $1.82 last year. Net sales revenue was up 10 per cent at $913.7m despite a 2 per cent fall in shipments to 319,000 tons.

In the first nine months, net profits were up 10.6 per cent to $146.8m, or $7.6 per share. Sales ros from $2.5bn to $2.7bn.

Atco drops utility bid

ATCO, Canada's largest manufacturer of prefabricated buildings, has announced that it is pulling out of the contest for control of Calgary Power, the utilities group writes our Financial Staff. The Atco offer for a controlling stake in Calgary Power will be allowed to expire and any shares already tendered will be returned.

Earlier this week, Atco's offer for Calgary was topped by a bid from Nu-West, a property development group.

As reason for its withdrawal, Atco quoted the decision by an Alberta court requiring Atco to obtain approval for its offer from the Public Utilities Board.

Loss at Kaiser Steel

KAISER STEEL yesterday reported a $4.5m operating loss for the third quarter on revenues down 18 per cent to $207m, David Tonge reports from New York.

The company, the ninth largest U.S. steel producer, has been badly hit by Japanese competition. One month ago it announced that it had decided against going out of business and liquidating its assets, largely because of the severance pay and pension costs.

Kaiser's net results for the third quarter have been helped by sales of assets, including four ships which brought in $22.3m. Its net profits of $41.7m were slightly above the good figures recorded in the third quarter of last year.

In the first nine months of the year, Kaiser's profits from continuing operations were $85m or $12.05 per share compared with $39.5m or $5.54 last year. Allowing for sales of assets profits were $116m compared with $42.2m on revenues down 6.4 per cent at $666m.

CORAL INDEX: Close 478-483 (unchanged)

COMMODITIES/REVIEW OF THE WEEK

Record crop forecast hits cocoa market

BY OUR COMMODITIES STAFF

A FORECAST that world cocoa bean production will reach a new record this season pushed London futures prices to new life-of-contracts lows yesterday. The March position fell £13 to £992.5 a tonne, taking the decline on the week to £27.5.

Earlier in the week announcements of a modest 8.7 per cent rise in cocoa bean usage in West Germany and a 15.8 per cent fall in the U.S. during the third quarter of this year, resulted in a gradual fall in prices. But this accelerated yesterday when the U.S. Agriculture Department released its latest crop estimate putting the 1980/81 total at 1.63m tonnes compared with last seasons 1.61m tonnes record.

The Department said it expected 1981 bean grindings to be well below production, resulting in a further build-up in stocks. An expected decline in African production was likely to be more than compensated by record crops in Brazil and Malaysia, it said.

In contrast world sugar prices reached new peaks with the London daily price climbing £22 yesterday to end the week £3 up on balance at a new 5½-year high of £405 a tonne.

As in recent weeks the main "bullish" factor was deepening concern over the Russian crop. Influential sugar statistician F. O. Licht estimated the crop at 8.1m tonnes on Tuesday but by Thursday he had decided to cut his forecast to 7.6m tonnes because of serious harvesting delays.

Even before adjusting the Soviet figure Licht had reduced his European crop estimate to 28.36m tonnes from 28.44m.

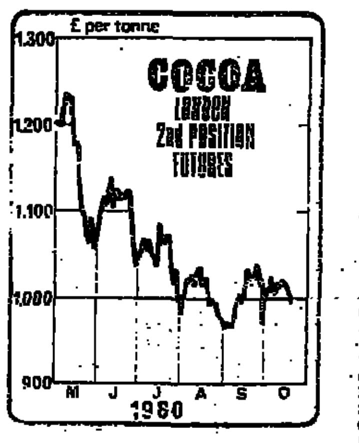
A Russian farming newspaper said only 20 per cent of Russia's sugar beet had been harvested by the end of September against a target of 30 per cent. Many refining plants were idle or working below capacity it added.

Tin prices lost further ground this week following news that the U.S. was to supply 1,500 tonnes of stockpile tin to the International Tin Council buffer stock. The U.S. announced a long time ago that it wanted to make a voluntary contribution to the tin buffer stock in the form of stockpile tin. But since this was the first time that actual tin, rather than its cash equivalent, had been contributed there has been considerable delays in working out details. The 1,500 tonnes is a compromise figure, but it does mean that the buffer stock now has tin to sell for the first time since January, 1977. Present tin market prices are in the upper range of the Tin Agreement where the buffer stock can either buy or sell, but must be a net seller. If prices go up above the "ceiling" level again then the buffer stock should dispose of all its holdings.

The prospect of extra supplies comes at a time when the tin market is already shaky as a result of falling demand and speculative selling. Cash tin closed last night at £6,865 a tonne, £60 down on the week.

Two leading West German zinc producers, Preussag and Metallgesellschaft, confirmed yesterday they were raising their official European producer quotation from $780 to $825 a tonne. This follows a move to $825 by other leading producers in Europe. Australia and Canada and should establish the producer price at this level, despite doubts that market demand is not strong enough to justify any increase.

Meanwhile, on the London Metal Exchange cash zinc fell by £19.5 to £322 a tonne. The decline was in line with the generally easier trend in the metal markets. The further rise in U.S. interest rates this week has caused concern that the recent slight recovery in the U.S. economy may not be sustained.



Latin America accord

Honduras and neighbouring El Salvador are expected to sign a peace treaty within three weeks officially ending the 11-year-old state of war between them, Reuter reports from Honduras.

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1980 High	1980 Low
METALS					
Aluminium	£810.815	—	£750.760	£810.815	£760.70
Free Markets c.i.f.	$1665.1695	—5	$1,630.1,670	$2180.2200	$1600.1550
Antimony					
Free Market 99.6%	$3,200.3250		$5,075.5,150	$3,435	$3200.3250
Copper Cash Wire Bars	£845	—12.5	£915.5	£1,372	£816.5
3 months Do. Do	£872.25	—12.5	£924.75	£1,376.5	£834.75
Cash Cathodes	£814	—15	£906.5	£1,316	£785.5
3 months Do	£844.5	—14	£910	£1,343.5	£810.5
Gold per oz.	$666.5	—18	$391.5	$835	$473
Lead cash	£365	—9.5	£624	£578	£298.5
3 months	£380.5	—7	£614.5	£471.5	£308.75
Nickel	£3,168	—	£3,060.62	£3,477	£3,168
Free Market c.i.f. lb.	290/315c	—	255/280c	315/345	265/295c
Platinum per oz.	£202	—	£181	£202	£182.50
Free Market per oz.	£283.40	—5.9	£236.75	£466.6	£230
Quicksilver (76lbs.)	$410/420	—5.5	$320/330	$418/423	$370/380
Silver per oz.	852.65p	—41.35	804.50p	2,165.05p	467.80p
3 months per oz	885.10p	—43.5	824.0p	2,186.05p	483.3p
Tin cash	£6,865	—60	£7,450	£8,350	£6,865
3 months	£6,965	—41.5	£7,217.5	£8,585	£6,965
Tungsten Ind	$146.42	—	$143.47	$146.42	$137.75
Wolfram 22.04 lb.	$147/151	—1	$141/146	$151/164	$129.50/134
Zinc cash	£322	—19.5	£309	£400	£282
3 months	£344.25	—8.25	£318.75	£415	£292.25
Producers	$825	—45	$780	$825	$780
GRAINS					
Barley					
Home Futures	£96.85	—0.5	£96.80	£101.55	£89.95
Maize					
French No. 3 Yellow (Amer.)	:	—	:	£122.5	£110.50
WHEAT					
No. 1 Red Spring					
Am. Hard Winter	£101.50x	+1.9	£104.45	£105	£91.0
Eng. Milling (new crop)	:	—	:	:	:
SPICES					
Cloves (g)	$4,100u	—	$3,900	$4,175	$3,750
Pepper, white	$2,175u	+25	$2,775	$2,825	$2,150
black	$1,640u	—	$1,800	$2,000	$1,575
OILS					
Coconut (Philippines)	$560u	—	$920	$925	$560
Groundnut 5%	:	—	:	£457	
Linseed, Crude	£388	—50	£396	£464	£338
Palm Malayan	$505t	—	$595	$725	$475
SEEDS					
Copra (Philippines)	$560u	+5	$595	610	$555
Soyabeans (U.S.)	$340x	—7	$279.50	$352	$260.6
OTHER COMMODITIES					
Cocoa Shipment	£1,028	—30	£1,512	£1,546	£1,023
Cocoa Futures Mar	£992.5	—27.5	£1,426.5	£1,513.5	£968.5
Coffee Futures Jan	£1,115.5	+6.5	£1,756.5	£1,784.5	£994.5
Cotton Index	98.10c	—0.9	78.15c	103.8c	83c
Des. Coconut	£640		£700	£740	£640
Jute LJ ABW C grade	$218u		£226	£226	£187
Rubber kilo	61.50p	—2	60.50p	90p	55.50p
Sago Pearl	£205u		£202	£216	£204
Sisal No. 3 L	$855		$865	$895	$840
Sugar (Raw)	£405	+3	£147	£405	£164
Tapioca No. 1	£226u		£206	£226	£202
Tea quality kilo	125p	—10	160p	150p	125p
plain kilo	54p	—	64p	73p	55p
Woollops 64s Warp	264p kilo	—6	286p	308p kilo	276p kilo

£ Unquoted. (g) Madagascar. (x) Nov. (t) Dec. (u) Oct./Nov. (y) Nov./Dec.

MARKET REPORTS

BASE METALS

COPPER—Lost ground in quiet trading on the London Metal Exchange. After opening at £876 forward metal declined to £874 at which level it remained for most of the day. Some selling pressure late in the afternoon caused a fall to £872, and a slight rally on the late Kerb saw the close at £872.5. Turnover 13,525 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	846.5-7	—7.5	542.4	—10
3 months	875.5-6	—9	872-.5	—12
Settlem't	847	—1.5	—	
Cathodes				
Cash	817.3	—8.5	815.5	—11
3 months	847.3	—6	844.5	—15
Settlem't	818	—8.5		
U.S. Prod			*93.5-103	

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £847, 46.5. Three months £874, 75, 74.5, 74, 75, 76, 77, 76.5, 75.5. Cathodes cash £818, 17. Kerb: Wirebars three months £875. Afternoon: Wirebars late December £869. Three months £874, 74.5, 73, 72, 72.5, 72. Cathodes three months £845. Kerb: Wirebars three months £873, 72.5, 72, 72.5, 73, 74, 73, 72.5.

TIN—Declined in quiet conditions. After opening lower at £7,020, in line with Penang, forward metal slipped in the pre-market to £7,000, and then fell further to £6,990. The day's low point was £6,950 and U.S. interest later in the day boosted the price back up to £6,965 by the close on the late Kerb. Turnover 1,170 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	6880-5	—102	6960-70	—70
3 months	6955-65	—92.5	6960-70	—82.5
Settlem't	6885	—105		
Standard				
Cash	6280-5	—102	6860-70	—70
3 months	6955-55	—92.5	6960-70	—82.5
Settlem't	6685	—105		
Straits E.	£2095	—25		
New York				

Morning: Standard cash £6,885, 90, 87. Three months £6,960, 90, 70, 60. Kerb: Standard three months £6,950, 40. Afternoon: Standard three months £6,970, 60, 65, 70. Kerb: Standard three months £6,960, 75.

LEAD—Little changed on balance after a quiet day's trading. Forward metal opened weaker at £375, but that proved to be the low for the day, and the close on the late Kerb was £380.5. Turnover 15,675 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	365.4	—2.25	364.6	—2
3 months	379.80	—3.37	380.1	—2
S'ment	365	—2.5		
U.S. Spot			*42.45	

Morning: Cash £365, 65, 64. Three months £378, 79, 80, 81, 82, 80, 81. Kerb: Three months £378, 77, 78.5. Afternoon: Three months £378, 79, 80. Kerb: Three months £379, 80, 80.5.

ZINC—A little weaker in dull trading. The day's best was £345, and forward metal closed [illegible] worst at £342.5. Turnover 4,725 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	330.2	—3.5	320.4	—10
3 months	342-.5	—2	344-.5	—1
S'ment	332	—4		
Primw'ts			*37.5-37.75	—

Morning: Three months £342. Kerb: Three months £344. Afternoon: Three months £344, 43, 43.5. Kerb: Three months £343.5, 43, 42, 42.5.

ALUMINIUM—Weaker on balance after a quiet day. From a high of £706 forward metal fell to £700 before short covering pushed the price back up to £704.5 on the late Kerb. Turnover 1,525 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
	£	£	£	£
Spot	673.5	—11	673-80	—10
3 months	703.5	—10	704.5-5	—9.5

Morning: Cash £678. Three months £704, 03, 02, 02.5, 03, 01, 700, 700.5, 01, 02, 03, 04, 03.5. Kerb: Three months £703.5. Afternoon: Three months £704, 04.5. Kerb: Three months £704, 03, 04.5, 04.

NICKEL—Lower after a routine day's trading. Forward metal declined from a high of £2,820 on the pre-market to a low at lunchtime of £2,810, and closed on the late Kerb at £2,815. Turnover 510 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
Spot	2775-80	—20	2785-90	—7.5
3 months	2805-10	—20.5	2815-17	—12

Morning: Three months £2,816, 15, 10. Afternoon: Three months £2,810, 15, 16.

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

SILVER

Silver was fixed 19.05p an ounce lower for spot delivery in the London bullion market yesterday at 852.65p. U.S. cent equivalents of the fixing levels were: spot $20.6, down 40c; three-month $21.224, down 40.2c; six-month $21.918, down 39.9c; and 12-month $23.272, down 36.5c. The metal opened at 860p-868p ($20.75-$20.95), and closed at 855p-863p ($20.65-$20.85).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffici'l	+ or —
Spot	852.65p	—19.0	852.5p	—17.5
3 months	883.10p	—19.8	884p	—18.2
~~6 months~~	~~914.60p~~	~~—19.5~~	—	
12 months	972.70p	—19.1	—	......

LME—Turnover 113 (163) lots of 10,000 ozs. Morning: cash 853.5, three months 885, 86, 85, 85.5, 86, 83, 85, 84.5. Kerb: three months 884, 85, 86. Afternoon: three months 887, 88, 86, 87, 88, 84. Kerb: three months 883.5.

COCOA

Cocoa futures opened £5 lower and during the morning session values held steady. After New York opened lower further trade selling caused prices to ease further and trade at new life-of-contract lows. Physical business improved as further offtake in beans and butter was found among consumers, reports Gill and Duffus.

COCOA	Yesterd'ys Close	+ or —	Business Done
Dec.	951-953	—16.0	964-951
March	992-993	—13.0	1003-990
May	1012-14	—13.0	1023-10
July	1034-35	—9.0	1043-30
Sept.	1052-55	—9.5	1060-51
Dec.	1071-80	—13.5	1085-73
March	1095-1105	—11.5	—

Sales: 2,535 (1,886) lots of 10 tonnes.

ICO Futures—Daily price for Oct. 16: 105.79 (105.80). Indicator prices for Oct. 17: 10-day average 105.64 (105.53); 15-day average 105.43 (105.80).

COFFEE

No fresh features emerged from a quiet session and values fluctuated in a narrow range, reports Drexel Burnham Lambert. A weaker than anticipated New York opening prompted further commission house selling in the afternoon and values drifted lower in thin volume. Trade buying together with dealer profit taking towards the close inspired a late recovery as prices rallied to within £10 of the previous close.

COFFEE	yesterday's Close	+ or —	Business Done
	£ per tonne		
Nov.	1090-94	—6.5	1105-80
January	1115-16	—12.0	1128-01
March	1091-93	—9.5	1102-81
May	1086-89	—10.5	1101-80
July	1083-90	—15.0	1102-81
Sept.	1070-90	—26.5	1101-00
Nov.	1070-90	—22.5	1100

Sales: 2,741 (2,787) lots of 5 tonnes.

ICO indicator prices for Oct. 16 (U.S. cents per pound). Other Mild Arabicas 130.0 (130.83). Robustas ICA 1976 130.50 (same). ICA 1968 130.75 (same). Unwashed Arabicas 211.50 (212.00). Comp. daily ICA 1968 unavailable.

GRAINS

M'nth	WHEAT Yesterday close	+ or —	BARLEY Yesterday close	+ or —
Nov.	96.15	—0.45	92.25	—0.10
Jan.	100.45	—0.55	96.85	—
Mar.	104.30	—0.45	100.55	—
May	108.25	—0.50	104.25	—0.10
July	112.60	—0.20	—	—
Sept.	98.60	+0.15	99.40	+0.05

Business done—Wheat: Nov. 96.60-96.25, Jan. 101.00-100.45, Mar. 104.90-104.35, May 108.90-108.40, July 112.75-112.60, Sept. no trade. Sales 235 lots of 100 tonnes. Barley: Nov. 92.70-92.35, Jan. 97.10-96.85, Mar. 100.90-100.60, May 104.55-104.30, July no trade, Sept. no trade. Sales 241 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 2 14 per cent Oct. 98, Nov. 100.25, Dec. 104.50 transhipment east coast sellers. U.S. Hard Winter 13½ per cent Nov. 101.50, Dec. 102.25, Jan. 108.50, Feb. 107.50, March 109.25 transhipment east coast sellers. Maize: S. African Yellow Nov./Dec 86.50 seller. Barley: English Feed fob Oct. 95.70, Nov. 97.50, Dec. 99.50, Jan./March 103.75 east coast sellers. Rest unquoted.

HGCA—Locational ex-farm spot prices. Other milling wheat: Eastern 99.40, E. Midlands 98.00. Feed barley: Eastern 91.00, E. Midlands 90.00, N. East 89.40, Scotland 85.50. The UK Monetary Coefficient for the week beginning Monday October 20 will remain unchanged.

RUBBER

The London physical market opened about unchanged, with little interest throughout the day, closing quiet. Lewis and Peat reported a fob November price for No. 1 RSS in Kuala Lumpur of 303.5 (305) cents a kilo and SMR 20 at 253 (254).

No. 1 R.S.S.	Yest'day Close	Previous Close	Business Done
Nov	62.50-62.90	65.80-65.90	65.50
Dec	63.90-64.10	64.40-64.50	64.20
Jan-Mar	66.20-66.30	66.90-67.00	66.80-66.00
Apr-Jne	69.90-70.00	70.50-70.60	70.70-69.90
Jly-Sept	73.20-73.30	73.80-73.90	73.90-73.20
Oct-Dec	76.10-76.20	76.70-76.80	76.80-76.10
Jan-Mar	79.00-79.10	79.60-79.70	79.10-79.00
Apl-Jne	81.80-82.10	82.20-82.70	—
Jly-Sept	84.70-85.00	84.80-85.60	—

Sales: 441 (437) at 15 tonnes, 2 (8) at 5 tonnes.

Physical closing prices (buyer) were: Spot 61.50p (same); Nov. 63.50p (same); Dec. 64.75p (same).

SOYABEAN MEAL

The London market opened lower on long liquidation which at one time pushed prices £1.70 lower reports T. G. Roddick. However, late in session fresh commission house and trade buying rallied prices to close around opening levels.

	Yest'rday Close	+ or —	Business Done
	£ per tonne		
October	129.00-32.7	+0.85	—
December	134.30-36.0	—0.55	135.00-33.80
February	139.30-39.8	—0.10	140.50-38.80
April	141.90-42.2	+0.30	142.00-40.20
June	141.20-41.7	—0.15	148.00
August	140.00-41.5	—0.50	—
October	131.00-35.5	+1.25	—

Sales: 176 (243) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £405.00 (£383.00) a tonne cif for Oct.-Nov.-Dec. shipments. White sugar daily price was £403.00 (£390.00).

Fresh reports of problems on beet harvesting in the Ukraine stimulated buying interest and the market opened very steady with March touching £445.00. However, again the market failed at this point to break through on the upside and long liquidation developed. The decline accelerated during the afternoon and by the close prices were at the lows some £10 below the best, reports C. Czarnikow.

Sales: 13,941 (15,257) lots of 50 tonnes.

No. 4 Contract	Yest'rdays Close	Previous Close	Business Done
	£ per tonne		
Jan	425.00-28.75	422.00-27.00	458.00-22.00
Mch	456.25-35.45	436.75-38.95	445.00-34.00
May	428.00-29.00	429.00-29.50	438.00-28.00
Aug	402.00-04.00	402.50-05.00	409.50-01.50
Oct	371.00-71.50	376.50-77.00	380.00-70.50
Jan	358.00-59.00	344.50-46.00	348.00-44.50
March	325.00-27.00	334.00-38.00	355.00-34.00

NUMBER 2 CONTRACT—Close (in order buyer, seller, business, sales). Oct. 398.25, 399.95, 412.00-398.00, 23. Sales 23 (8).

Tate and Lyle ex-refinery price for granulated basis white sugar was £342.6 (same) a tonne for home trade and £509.0 (£489.0) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean port. Prices for Oct. 16: Daily price 40.18 (40.31); 15-day average 39.73 (39.58).

INDICES

FINANCIAL TIMES

Oct. 16	Oct. 15	M'nth ago	Year ago
276.25	278.51	278.73	295.78

(Base: July 1, 1952=100).

MOODY'S

Oct. 16	Oct. 15	M'nth ago	Year ago
1325.2	1326.1	1304.0	1152.1

(December 31, 1931=100)

DOW JONES

Dow Jones	Oct. 16	Oct. 14	Month ago	Year ago
Spot	478.69	479.29	461.79	405.49
F'tures	498.74	500.21	475.97	410.39

(Average 1924-25-26=100)

REUTERS

Oct. 17	Oct. 16	M'nth ago	Year ago
1753.3	1755.0	1761.4	1650.8

(Base September 18, 1931=100)

WOOL FUTURES

SYDNEY GREASY—Close (in order buyer, seller, business, sales). Australian cents per pound. Oct. 443.0, 445.0, 447.0-444.0, 15; Dec. 466.0, 468.0, 469.0-466.5, 92; March 492.0, 492.5, 494.0-491.0, 233; May 504.0, 504.5, 507.0-503.0, 248; July 513.0, 514.0, 514.5-511.5, 119; Oct. 510.0, 514.0, 513.0-510.0, 33; Dec. 513.0, 514.0, 515.0-512.0, 34; March 515.0, 516.0, 516.0-515.0, 9. Sales: 783.

LONDON NEW ZEALAND CROSSBREDS—Close (in order buyer, seller, business, sales). New Zealand cents per kilo. Oct. 350, 365, nil, nil; Dec. 358, 360, 361, 6; Jan. 357, 361, nil, nil; March 362, 366, 364, 2; May 364, 365, 365, 8; Aug. 369, 370, 371-370, 8; Oct. 370, 374, nil, nil; Dec. 377, 380, nil, nil; Jan. 378, 381, nil, nil; March 381, 382, nil, nil. Sales 24.

POTATOES

LONDON POTATO FUTURES—Continued buying pushed all values sharply higher, with short covering and stop-loss buying brought on by weather fears and European export business. Profit-taking in November brought prices 31p off the highs at the close, but April continued steady, reports Coley and Harper. Closing prices: Nov. 45.00 +90 (high 46.00, low 44.50); Feb. 55.10 +110 (high 55.70, low 54.00); April 65.40 +310 (high 65.50, low 62.50). Turnover: 241 (123) lots of 40 tonnes.

COTTON

LIVERPOOL—Spot and shipment sales amounted to 93 tonnes, bringing the total for the week to 485 tonnes against 70 tonnes in the previous week. Minor replenishment operations took place with not more than occasional transactions. Most of the business under consideration consisted of South American and African growths.

*

GRIMSBY FISH—Supply, good, demand, good. Prices at ship's side (unprocessed) per stone: Shelf cod £5.50-£6.60, codlings £3.60-£4.50. Large haddock £3.80-£4.30, medium £2.80-£3.30, small £2.00-£2.50. Large plaice £4.80-£5.80, medium £4.00-£5.80, best small £2.70-£4.00. Skinned dogfish, large £6.00-£7.00, medium £3.50-£4.50. Lemon soles, large £10.50, medium £9.00. Rockfish £2.50-£3.00. Reds £2.20-£2.60. Saithe £2.60-£3.20.

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on October 17. GB—Cattle 67.72p per kg lw (—2.67). UK—Sheep 114.99p per kg est dcw (—25.55). GB—Pigs 73.22p per kg lw (+3.71).

COVENT GARDEN—Prices in sterling per package except where otherwise stated: Imported Produce: Oranges—Outspan: Valencia Lates 48 5.40, 56 5.75, 72 5.85, 88 4.65, 112 4.70, 138 4.55, 150 4.40; Brazilian: 72/138 4.30-4.50. Lemons—Spania: Trays 25/45 2.50-3.20; Outspan: boxes 5.50-7.00; Turkish: 15 kg 4.30-4.50. Grapefruit—Honduran: 36/48 5.30-5.80; Cypriot: 36/42/48/54 5.20-5.50; Cuban: 4.30-4.50; Jaffa: 15 kg 36 5.35, 42 5.25, 48 4.90, 60 4.60, 70 4.30. Satsumas: Spania: 189 4.50-4.60, 168 4.60-4.80, 147/154 4.90-5.00, 136/144 5.00-5.20, 126/132 5.20, 95/105/108 5.40-5.60. Apples—French: Starkcrimson large boxes 4.50, Golden Delicious approx. 20 lb 72 1.80-2.10, 84 1.50-1.80, 40 lb 125/163 3.50-4.00, Granny Smith 20 lb 72 2.20, 84 1.60-1.80; Greek: Starking 150 5.50; Dutch; Cox's Orange Pippins per pound 0.09. Pears—French: per 18 lb Williams 2.50-2.80; Italian: per pound Williams 0.13-0.17, Beurre Hardy 0.12; Dutch: Conference 0.11-0.12. Plums—Italian: boxes, Stanleys per pound 0.11-0.12. Grapes—Italian: Regina per pack 1.20-1.30, Italia 1.50-1.80; Spanish: Almeria 1.50-1.80; Black 2.00-2.20; French: Alphonse 1.80. Pomegranates—Spanish: 40/60 2.40-3.50. Melons—Spanish: Yellow 10 kg 3.30-4.00, Green 7/11s 2.50-2.80. Tomatoes: Jersey: 1.60-1.80; Dutch: 2.40; Spanish: 1.60-2.80; Guernsey: 1.60-2.20. Onions—Spanish: 4.20; Dutch: Picklers 3.00, 10 kg 1.40. Cabbages—Dutch: White 2.80. Cucumbers—Dutch: 12s 2.40, Canary: 10/14s 1.80-2.20, Almeria: 1.60-1.80; Greek: 1.80-2.00. Nuts—Large washed Brazils per pound 0.30, medium 0.25; Chinese walnuts 30mm 55 lb, per pound 0.32; Almonds large hard 0.38, medium 0.35, Ibiza 0.45, Pecan nuts 0.65; Filberts Sicilian 19mm 0.46; Mixed nuts 0.30.

English Produce: Potatoes: per bag, new 1.30-1.90. Mushrooms: per pound 0.60-0.70. Apples—per pound Bramleys 0.05-0.10, Derby 0.05, Spartans 0.10-0.14, Worcester Pearmain 0.08-0.12, Cox's Orange Pippins 0.10-0.18, Russets 0.10-0.15. Pears—per pound Conference 0.09-0.12, Comice 0.12-0.15. Plums—per 12 lb Wyedales 1.50. Cabbages—per bag 1.40, white cabbages 2.40. Cauliflowers—per 12 3.80-4.80. Beetroots—per bag 1.00-1.20. Cucumbers—trays 10/20 1.60-2.20. Tomatoes—per 12 lb 1.40-1.80. Lettuce—per 12 round 1.40, Cos 1.40, Webbs 1.20. Sprouts—per pound 0.12. Corn cobs—each 0.06-0.08. Carrots—per 28 lb 1.20-1.40. Onions—per bag 3.00-3.40; Picklers 3.00. Celery—per pack 20/30 2.60-2.70, naked 12/14 1.10. Capsicums—per pound 0.20. Swedes—per 28 lb Devon 0.90-1.00. Cobnuts per pound 0.35-0.38.

NALGO backs demonstration

THE National and Local Government Officers' Association (NALGO) is urging its members to take part in the Labour Party's demonstration against unemployment in Liverpool on November 29.

BRITISH FUNDS (433)

13¾pc Treasury Stk. 2004-08 104 (14/10)
13½pc Treasury Stk. 2000-2003 107¼@
14pc Treasury Stk. 1982 101 (15/10)
14pc Treasury Stk. 1996 107¼@
14pc Treasury Stk. 1998-2001 109¼ (10/10)
15pc Treasury Stk. 1985 107
Variable Rate Treasury Stk. 1981 (15.7705pc) 99
Variable Rate Treasury Stk. 1982 (15.5297pc) 97 47-64ths (10/10)
Variable Rate Treasury Stk. 1983 (15.7105pc) 95¼

CORPORATIONS (16)

FREE OF STAMP DUTY

PUBLIC BOARDS (11)

FREE OF STAMP DUTY

COMMONWLTH. GOVTS. (7)

REGISTERED AND INSCRIBED STOCKS

S. Africa (Repub.) 9½pc 93¼
Greek 6pc Stab. Ref. 1928 28 (14/10)

FOREIGN STOCKS (32)

COUPONS PAYABLE IN LONDON

Japan 6pcLn. 83-88 68½ (13/10)
Banque Nationale De Paris 13½pc 98½@
Finance For Industry US$96 99¼@
Hanson Overseas Finance 9½pc Bds. 96@ 5¼

STERLING FOREIGN CURRENCY BONDS

BANKS (151)

BREWERIES (81)

COMMERCIAL (1,539)

A—B

APPOINTMENTS

Chief executive change at Glaxo

Mr. Paul Girolami is to become chief executive of GLAXO HOLDINGS from November 1 in place of **Sir Austin Bide**, who is to relinquish that position but will remain chairman. At the same time Mr. Girolami will be succeeded as financial director by **Mr. Guy Neely**, who joins Glaxo from Linfood Holdings.

★

Mr. Alfred Cherry has been appointed executive director, works, with DOWTY ROTOL.

★

Mr. Frank Borthwick has been appointed chairman and **Mr. Brian Johnson**, vice chairman, of the FEDERATION OF DREDGING CONTRACTORS.

★

Mr. Norman Harlow, a director of Barton and Sons, has been appointed chairman of group subsidiary WALTON AND CO. (WOLVERHAMPTON). **Mr. Eric Meldrum**, also a parent company director, has become chairman of WILFRED ROBBINS.

★

Mr. Aribert von Vollmar is to join the Board of the CATHOLIC BUILDING SOCIETY at the end of this year following the retirement from the Board of **Mr. Gerard W. Burden**. Until March, 1980, Mr. Vollmar was deputy to the chief registrar at the Registry of Friendly Societies.

★

Mr. Barry Kirkham has been appointed a director of the Novopress Division of the H. F. COLLISON GROUP.

★

Mr. Bernhardt F. Gadow has joined LONDON AND CONTINENTAL BANKERS as general manager for the international capital markets. He was previously head of capital markets distribution for Bank of America International.

★

Mr. Bill Johnston, financial manager of MACCESS, of Cleckheaton, has joined the Board as financial director.

★

Mr. J. Allan Smith has been appointed technical director of HEENAN DRIVES, a member of the Redman Heenan International group.

★

Mr. Jack Rockman has become sales director of RAPPORT PARK LANE.

★

Mr. John Symonds, who joined ASTON MARTIN LAGONDA (1975) as chief executive last year, has been appointed to the Board.

★

Mrs. H. J. Desmond has been appointed to the Board of ACCESS EQUIPMENT as director of administration. **Mr. W. G. Evans** has joined the company and succeeds Mr. Desmond as secretary.

★

Mr. Harry Simpson, managing director of EMI Social Centres, has joined the Board of EMI FILM AND THEATRE CORPORATION. This follows a recent decision to incorporate the social centres as a part of the UK Entertainments Group.

★

Mr. Geoffrey D. Davis has become divisional manager in charge of personnel and premises of SAUDI INTERNATIONAL BANK (Al-Bank Al-Saudi Al-Alami). Also appointed managers are **Mr. Tristao da Cunha**, **Mr. Ricardo L. Siere** and **Mr. Andrew P. F. Thompson**, general banking division; **Mr. Patrick J. Dempsey**, investment management division; and **Mr. H. Paul Bachinger**, European desk.

★

Mr. R. C. Tucker has been appointed general manager of the NEW ZEALAND INSURANCE CO. (UK) to succeed Mr. I. F. Macdonald, who is retiring.

BASE LENDING RATES

A.B.N. Bank	16 %	Hambros Bank	16 %
Allied Irish Bank	16 %	■ Hill Samuel	§ 16 %
American Express Bk.	16 %	C. Hoare & Co.	†16 %
Amro Bank	16 %	Hongkong & Shanghai	16 %
Henry Ansbacher	16 %	Industrial Bk. of Scot.	16½%
A P Bank Ltd.	16 %	Keyser Ullmann	16 %
■ Arbuthnot Latham	16 %	Knowsley & Co. Ltd.	18 %
Associates Cap. Corp.	16 %	Langris Trust Ltd.	16 %
Banco de Bilbao	16 %	Lloyds Bank	16 %
BCCI	16 %	Edward Manson & Co.	17 %
Bank of Cyprus	16 %	Midland Bank	16 %
Bank of N.S.W.	16 %	■ Samuel Montagu	16 %
Banque Belge Ltd.	16 %	■ Morgan Grenfell	16 %
Banque du Rhone et de la Tamise S.A.	16½%	National Westminster	16 %
Barclays Bank	16 %	Norwich General Trust	16 %
Bremar Holdings Ltd.	17 %	P. S. Refson & Co.	16 %
Brit. Bank of Mid. East	16 %	Rossminster	16 %
■ Brown Shipley	16 %	Ryl. Bk. Canada (Ldn.)	16 %
Canada Perm't Trust	17 %	Schlesinger Limited	16 %
Cayzer Ltd.	16 %	E. S. Schwab	16 %
Cedar Holdings	16 %	Security Trust Co. Ltd.	17 %
■ Charterhouse Japhet	16 %	Standard Chartered	16 %
Choulartons	16 %	Trade Dev. Bank	16 %
C. E. Coates	16 %	Trustee Savings Bank	16 %
Consolidated Credits	16 %	Twentieth Century Bk.	16 %
Co-operative Bank	*16 %	United Bank of Kuwait	16 %
Corinthian Secs.	16 %	Whiteaway Laidlaw	16½%
Duncan Lawrie	16 %	Williams & Glyn's	16 %
The Cyprus Popular Bk.	16 %	Wintrust Secs. Ltd.	16 %
Eagil Trust	16 %	Yorkshire Bank	16 %
E. T. Trust Limited	16 %		
First Nat. Fin. Corp.	18 %		
First Nat. Secs. Ltd.	18 %		
Robert Fraser	16 %		
Antony Gibbs	16 %		
Greyhound Guaranty	16 %		
Grindlays Bank	‡16 %		
■ Guinness Mahon	16 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 14%, 1-month deposits 14¼%.
† 7-day deposits on sums of £10,000 and under 14%, up to £50,000 14½% and over £50,000 14¾%.
‡ Call deposits over £1,000 14%.
§ Demand deposits 14½%.

Stock Exchange dealings

Thursday, October 16	20,311
Wednesday, October 15	21,040
Tuesday, October 14	20,417
Monday, October 13	18,810
Friday, October 10	20,469
Thursday, October 9	20,181

The list below gives the prices at which bargains were done by members of the Stock Exchange and recorded in last Thursday's Stock Exchange Daily Official List. For those securities not marked in Thursday's List, we show the latest markings recorded during the previous four business days, these are distinguished by the date shown in parentheses.

The number of dealings marked on Thursday in each section follows the name of the section. Unless otherwise denoted, shares are £1 fully paid and stock £100 fully paid.

Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 pm only, but later transactions can be included in the following day's Official List. The figures shown above, on the other hand, are the total number of bargains transacted in all securities up to 3.30 pm. No indication is available as to whether a bargain represents a sale or purchase. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. @ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. * Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

Bowater Newfoundland 4½pcPf. 27½ (13/10)
Bowthorpe Hldgs. (10p) 148 (15/10)
Braby Leslie (10p) 40½ (15/10)
Braid Group (5p) 23
Braithwaite and Co Engineers 103@
Brammer (H.) and Co. (20p) 143 (10/10)
Brasway (10p) 39
Brengreen (Hldgs.) (10p) 27¼ (14/10)
Brent Chemicals Intnl. (10p) 148 (15/10)

C—D

Eva Inds. (25p) 52½@
Evered Hldgs. (25p) 20 (14/10)
Evode Hldgs. (20p) 47 (13/10)
Executex Clothes (20p) 27 (15/10)
Expanded Metal (25p) 50@
Extel Gp. (25p) 187

E—F

G—H

I—J—K

L—M

N—O—P

Q—R—S

T—U—V

W—Y—Z

GAS (14)

INSURANCE (63)

INVESTMENT TRUSTS

River and Mercantile Tst. (25p) (14/10)
Robeco NV (Bearer) (Fl.50) 40½
Romney Tst 4½pcLn. 103 (14/10)
Rothschild Inv. Tst. (50p) 361@ 4 3.5pcPf. (50p) 59@
St. Andrew Tst. (25p) 141½ (15/10)
Scottish American Inv. (50p) (13/10) 3½pcDb. 30½
Scottish Eastern Inv Tst (25p)
Scottish Inv Tst. (25p) 123½ 3.85pcPf 42 (14/10)
Scottish Mortgage & Tst (25p) (14/10)

Zenith Carburetter Co. (50p) 57 (10/10)

FINANCIAL TRUSTS (61)

Akroyd and Smithers (25p) 375 (15/10)
Armour Trust (10p) 11 (13/10)
Birmingham and Dist. Inv. Tst. 4½pcPf. 32½ (10/10)
Boustead (10p) 77 (14/10)
Bridgewater Estates (50p) 470 (13/10)
Britannia Arrow Hldgs. (25p) 24½ 4 5 (15/10)
Charterhouse Group (25p) 97½@ 8 6 7. 5.75pc2ndPrf. 53½
Compagnie Financiere de Suez (NF100) £30½
Corinthian Holdings (10p) 29@ 8
Daily Mail A Ord. (50p) 480 (15/10)

ACTIVE STOCKS

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1980 high	1980 low
BP	25p	48	438	+34	440	[illegible]
ICI	£1	43	326	+ 4	402	[illegible]
Shell Transport	25p	42	444	+28	446	[illegible]
Tricentrol	25p	42	394	+47	414	[illegible]
Clyde Petroleum	£1	40	750	+105	750	[illegible]
GEC	25p	40	535	+20	540	[illegible]
Ultramar	25p	37	440	−10	460	[illegible]
Cons. Gold Fields	25p	36	643	−37	690	[illegible]
Marks & Spencer	25p	36	109	+ 7	111	[illegible]
Plessey	50p	35	252	+13	265	[illegible]
Premier Cons.	5p	35	98	+10	99	[illegible]
Royal Bank of Scotland	25p	33	111	+14	114	[illegible]
Beecham	25p	31	144	+ 1	160	[illegible]
Imp. Cont. Gas	£1	29	300	+35	302	[illegible]
Glaxo	50p	28	226	+14	260	[illegible]

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1980 high	1980 low
Clyde Petroleum	£1	15	750	—	750	[illegible]
Trust Securities	40p	9	191	—	191	[illegible]
Marks & Spencer	25p	8	109	+ 3	111	[illegible]
European Ferries	25p	7	162	—	192	[illegible]
ICI	£1	7	326	− 2	402	[illegible]
Premier Cons.	5p	7	98	+ 3	99	[illegible]
BICC	50p	6	162	+ 4	163	[illegible]
Boots	25p	6	231	+ 5	256	[illegible]
C'mercial Union	25p	6	160	—	180	[illegible]
Plessey	50p	6	252	—	265	[illegible]
Shell Transport	25p	6	444	− 2	446	[illegible]
BP	25p	5	438	− 2	440	[illegible]
LASMO	25p	5	795	+ 7	830	[illegible]
Mills & Allen Intl.	50p	5	333	+13	342	[illegible]
NatWest Bank	£1	5	416	—	416	[illegible]

West African (1)

Diamond (6)

OIL (348)

PROPERTY (93)

Rhodesian (4)

South African (83)

UNIT TRUSTS (2)

MINES

Australian (7)

Miscellaneous (68)

SHIPPING (17)

TEA (9)

TELEGRAPHS (—)

CANALS (1)

WATERWORKS (3)

RUBBER (9)

UK RAILWAYS (2)

Canadian Pacific (SC5) £18¾ (10/10). 4pcDb. 32½ (15/10)
Quebec Central Ctp.Stk. 38 (10/10)

FOREIGN RAILWAYS (—)

Chilean Nrthrn. 5pc1stDbs 95

RULE 163 (1) (e)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange

OCTOBER 16

OCTOBER 15

OCTOBER 14

Acmex 29
Air Products Chems. £21⅛
American Telep. Teleg. £21¼
Ashland Oil $US40½
Austin. Cons. Mins. 240 10
Basic Resources 480
Beriuntai Tin 260
Bow Valley 815
Bridge Oil 211
CSR 354
Columbia Gas System £16⅛
Continental Corp. £11½
Conzinc Riotinto 308 2. New 130
Cultus Pacific 310 40 300 29½ 5 31
Dominion Bridge 695
Dundee Inds. S.A. 144½ 5½
Endeavour Resources 271½ 6½
Enscarch £17½
Euro Can Ventures 250
Gem Expln. 270
Gold Mines Kalgoorlie 555
Greengate Mng. 135
Gulfstream Resources 300
H. C. I. Hldgs. E $C47½
Hong Kong Electric 82
Hong Kong Land 158 6½
Household Fin. 755
Jardine Matheson 238 5 4 6
Kansas Power Light 715

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange

* Denotes Irish currency.

OCTOBER 16

OCTOBER 15

OCTOBER 14

OCTOBER 13

OCTOBER 10

Air Call 212 15
Airship Industries 107 100 8
All England Lawn Tennis Ground £50Db. 1981-85 £6500
Allied Intnl. Designers Grp. 27½. 8
Ann Street Brewery 265
Applied Computer Techniques (Hldgs.) 435 40 2 50 70
Ascot TV Rentals 9 ½
Baker Electronics 98

London and Continental Advertising (8p) 19 18
London and Continental Advertising (10p) 21
Nimslo European 476 85 506 15
Nimslo European 14pcA £85
Nimslo European 14pcB £55½
Maddock 6 5
Manx Petroleum 30 3
Namunkula Tea Estates 10
Nationwide Leisure 7 ½
New Court Natural Resources 66 9 ¼
North Sea Assets 128 8 30 2 3 1 ¼ 2 ½

RULE 163 (3)

Bargains marked for approved companies engaged solely in mineral exploration

* Denotes Irish currency.

OCTOBER 16

OCTOBER 15

Aran Energy 304 5 10 15 20
Berkeley Exploration and Production 223 7 8 30
Candecca Resources 241 2 3 4 5 6 8 9 30 1 2 3 4 5
CCP North Sea Assoc. 275 7 80 2 3 5 7 8 90 2 5 7 8 300 1 2 3 10
Cluff Oil 330 45 50 3 5
Cluff Oil A 330 45
Gas and Oil Acreage 465 8 70 3 5 80

OCTOBER 14

OCTOBER 13

OCTOBER 10

Aran Energy 300 2 5 10 12 15 17 18
Berkeley Exploration and Production 213 15 17 18
Candecca Resources 222 3 ½ 4 5 6 7 8 9 30
CCP North Sea Assoc. 260 3 5 7
Cluff Oil 330 5 40
Gas and Oil Acreage 455 50 5
Marinex Petroleum 160 1 2 3 4½ 5
Pict Petroleum 315
Sovereign Oil and Gas 382 3 5 8 90
Sun Oil (UK) Oil Royalty 465 70 80 90 6

(By permission of the Stock Exchange Council)

[illegible]

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Knowsley 051 548 6555	13¼	½-year	1,000	4-5
Redbridge 01-478 3020	13¼	½-year	200	5-6

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term shares %
Abbey National	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Aid to Thrift	10.85	11.37	—	—
Alliance	10.25	10.50	11.75	12.50 5 yrs., 11.75 3 mths.
Anglia	10.25	10.50	11.75	13.00 6 yrs., 12.50 5 yrs.
Bradford and Bingley	10.25	10.50	11.75	11.25 one month's notice deposit
Bridgwater	10.25	10.50	12.00	12.50 5 yrs., 12.00 4 yrs., 11.60 2½ yrs.
Bristol and West	10.25	10.50	11.75	—
Bristol Economic	10.25	10.50	11.75	10.75 3 months
Britannia	10.25	10.50	11.75	12.50 5 yrs., 11.75 2 months' notice
Burnley	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cardiff	10.50	11.50	12.50	—
Catholic	10.05	10.75	11.65	— Share a/cs 10.95 over £5.000
Chelsea	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.55 6 mths.
Cheltenham and Gloucester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cheltenham and Gloucester	—	11.50	—	— Premium shares including 1.00 bonus p.a. (£15,000 or £20,000)
Citizens Regency	10.25	10.85	12.05	12.65 5 yrs., 12.35 4 yrs., 11.85 3 yrs.
City of London (The)	10.50	10.80	11.80	12.00 Capital City shares—4 mth. not.
Coventry Economic	10.25	10.50	11.75	12.00 4 yr., 11.5 3 yr., 11.25 3 mth. not.
Coventry Provident	10.25	10.50	12.50	12.55 av. 5 yrs.: 12.00 4 yrs., 11.25 3 m.n.
Derbyshire	10.25	10.50	11.75	11.30 3 months' notice
Ealing and Acton	10.25	11.00	—	11.65 2 years, £2,000 minimum
Gateway	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Greenwich	—	10.75	12.00	12.75 5 yrs., 12.25 4 yrs., 11.75 3 yrs.
Guardian	10.25	10.75	—	12.25 6 mth., 11.75 3 mth., min. £1,000
Halifax	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Heart of England	10.25	10.50	11.75	12.50 5 yrs., 11.00 3 months' notice
Hearts of Oak and Enfield	10.25	10.75	12.25	12.00 4 yrs., 11.75 3 yrs., 11.50 2 yrs.
Hendon	10.50	11.00	—	12.00 6 months, minimum £2,000
Huddersfield and Bradford	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Lambeth	10.25	10.75	12.50	12.50 5 yrs., 12.00 6 months' notice.
Leamington Spa	10.35	10.60	14.19	12.55 5 yrs., 12.30 4 yrs., 11.90 3 yrs.
Leeds Permanent	10.25	10.50	11.75	12.50 5 yrs., opt. from 10.75 6 mths.
Leicester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Liverpool	10.25	10.50	11.95	12.50 5 years, minimum £1,000
Melton Mowbray	10.35	10.60	11.75	13.10 6 yrs., 12.10 4 yrs., 11.35 2 yrs.
Mornington	10.75	11.75	—	—
National Counties	10.50	10.80	11.80	11.80 6 mth., 11.35 3 mth., min. £1.000
Nationwide	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.00 1 yr.
New Cross	11.00	11.25	—	11.25 12.50 on share accs., depending on min. balance over 6 mths.
Northern Rock	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Norwich	10.25	10.50	12.00	11.50 3 yrs., 11.25 2 yrs., min. £500
Paddington	10.00	11.00	12.50	11.75 6 mth., 12.00 wdl. 1 mth. loss int.
Peckham Mutual	10.50	11.00	—	—
Portman	10.25	10.50	11.75	12.50 5 yrs., 11.55 6 months' notice.
Property Owners	10.25	11.00	12.25	12.50 av. 4 yrs., 12 6 mth., 11.55 3 mth.
Provincial	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Skipton	10.25	10.50	11.75	12.50 5 yrs., 11.8 WDL 1 mth. loss int.
Sussex County	10.50	10.75	12.55	12.55 5 yrs., 12.15 4 yrs., 11.75 3 yrs.
Sussex Mutual	10.50	10.85	12.50	11.25 12.50 all with special options
Town and Country	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Walthamstow	10.25	10.60	11.75	12.60 5 yrs., 11.6 6 mth. not. min. £500
Wessex	10.50	11.20	—	12.20 6 mth. not. WDL min. 3 yrs.
Woolwich	10.25	10.50	11.75	10.75 (6 mths.), rising to 12.50 (5 yrs.)

*Rates normally variable in line with changes in ordinary share rates.
All these rates are after basic rate tax liability has been settled on behalf of the investor.

UK MONEY MARKET

Bank of England Minimum Lending Rate 16 per cent (from July 3, 1980)

The Treasury bill rate rose by 0.0295 per cent at yesterday's fixing to 14.2720 per cent, and the minimum accepted bid fell to £96.43 from £96.44. Bids at that level were met as to about 50 per cent and above in full. The £200m bills on offer attracted bids of £473.095m, and all bills offered were allotted. Next week a further £200m will be on offer, replacing maturities of £300m.

In the money market day-to-day credit was again in short supply, and the authorities gave assistance on a very large scale. This comprised moderate loans to six or seven houses at MLR, for repayment on Monday, and small purchases of Treasury bills both from banks and discount houses. The Bank also entered into another sale and repurchase agreement, involving a small number of eligible bills. The houses were faced with the repayment of Thursday's large official loans, and a small increase in the note circulation. There was also a small excess of revenue transfers to the Exchequer over Government disbursements. On the other hand banks brought forward balances a moderate way above target.

In the interbank market weekend money opened at 17½-18 per cent and touched 20 per cent during the day, before finishing at 17-18 per cent.

EXCHANGES AND BULLION

Sterling rose to a new five and a-half year high in currency markets yesterday, underpinned by high domestic and Euro-currency interest rates, and the presence of North Sea oil in the light of current Middle East unrest. Its trade weighted index rose to 77.2 from 77.0, having stood at 77.2 at noon and 77.0 in the morning. Against the dollar it opened at $2.4140-2.4150, and eased initially to $2.4120, before coming back to $2.4175 around noon. During the afternoon it touched a best level of $2.4220-$2.4230 but eased slightly at the close to $2.4150-2.4160, a loss of just 20 points from Thursday. The pound was very strong against European currencies, reaching a new four-year high against the Deutsche Mark at DM 4.4525 compared with DM 4.4225 on Thursday. In terms of the French franc it closed at its best level since January, 1975, at FFr 10.2725 against FFr 10.21.

The U.S. dollar was also very firm, helped by several banks increasing their prime rate to 14 per cent, and expectations of higher U.S. money supply figures, due later in New York. Euro-dollar rates were also higher, and the dollar rose to DM 1.8425 against the D-mark, its best level for six months, and compared with DM 1.8285 on Thursday. Similarly against the Swiss franc, the dollar rose to SwFr 1.6575, from SwFr 1.6490, and Y208.25 from Y208.10 against the Japanese yen. On Bank of England figures, the dollar's trade weighted index rose from 83.7 to 83.9.

Gold closed at $665-668 in quiet trading, to show a fall of $7 an ounce from Thursday, and $18 on the week.

THE POUND SPOT AND FORWARD

Oct. 17	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.4120-2.4230	2.4150-2.4160	0.63-0.53c pm	2.88	1.63-1.43 pm	2.45
Canada	2.8135-2.8280	2.8170-2.8180	1.55-1.45c pm	6.39	3.32-3.22 pm	4.64
Nethlnd.	4.79-4.84	4.82½-4.83½	3¼-2¼c pm	6.83	7⅞-6⅞ pm	6.11
Belgium	70.80-71.40	71.20-71.30	35-25c pm	5.05	73-63 pm	3.82
Denmark	13.62-13.70	13.67¼-13.68¼	2¼-1ore pm	1.69	¼ pm-¼ dis	—
Ireland	1.1775-1.1860	1.1850-1.1860	0.27-0.20p pm	2.38	0.55-0.47 pm	1.72
W. Ger.	4.42-4.46	4.44¾-4.45¾	3½-2½pf pm	8.42	8⅞-7⅞ pm	7.52
Portugal	121.70-122.40	121.80-122.00	5c pm-35 dis	−1.48	15-130 dis	−2.38
Spain	179.80-180.80	180.20-180.30	100-140c dis	−7.99	295-360 dis	−7.27
Italy	2,098-2,112	2,106½-2,107½	7-10lire dis	−4.84	36-39 dis	−7.12
Norway	11.79-11.86	11.82¾-11.83¾	8½-6⅞ore pm	7.74	14¾-13¾ pm	4.76
France	10.20-10.29	10.26¾-10.27¾	4¾-3¾c pm	4.96	10¼-9¼ pm	3.80
Sweden	10.08-10.15	10.11½-10.12½	2-1¼ore pm	2.00	2⅞-2¼ pm	1.01
Japan	500-508	502½-503½	3.15-2.90y pm	7.22	7.80-7.50 pm	6.08
Austria	31.20-31.55	31.45-31.50	15-12gro pm	5.15	30-25 pm	3.49
Switz.	3.98½-4.02½	4.00-4.01	4½-3½c pm	11.98	11½-10½ pm	10.61

Belgian rate is for convertible francs. Financial franc 71.50-71.60.
Six-month forward dollar 2.03-1.93c pm, 12-month 2.60-2.50c pm.

GOLD

	Oct. 17		Oct. 16	
Gold Bullion (fine ounce)				
Close	$665-668	(£275¼-276¼)	$672-675	(£279¼-280¼)
Opening	$668-671	(£276¾-278)	$672-675	(£278-279¼)
Morning fixing	$667.75	(£276.158)	$673.50	(£279.669)
Afternoon fixing	$670.50	(£277.100)	$674.00	(£279.147)
Gold Coins				
Krugerrand	$687-689	(£284-286)	$694-696	(£287-289)
1/2 Krugerrand	$357-362	(£147½-150½)	$354-359	(£145-149)
1/4 Krugerrand	$180-185	(£74½-77½)	$179-183	(£72-76)
1/10 Krugerrand	$73-76	(£30-32)	$72½-75½	(£30½-32)
Mapleleaf	$681-684	(£281½-284)	$688-692	(£284½-287½)
New Sovereigns	$169¾-170¾	(£70¼-71)	$171-172	(£70¾-71½)
King Sovs	$190-192	(£78½-79½)	$192-194	(£79½-81)
Victoria Sovs	$190-192	(£78½-79½)	$192-194	(£79½-81)
French 20s	$170½-172		$170½-173½	
50 pesos Mexico	$830-833		$834-840	
100 Cor. Austria	$652-656		$656-660	
$20 Eagles	$776-780		$779-783	

EXCHANGE CROSS RATES

Oct. 17	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.416	4.453	503.0	10.273	4.005	4.830	2107.	2.818	71.25
U.S. Dollar	0.414	1.	1.843	208.2	4.253	1.658	2.000	872.3	1.166	29.50
Deutschemark	0.225	0.543	1.	113.0	2.307	0.899	1.085	473.2	0.633	16.00
Japanese Yen 1,000	1.988	4.802	8.852	1000.	20.42	7.962	9.602	4189.	5.601	141.7
French Franc 10	0.973	2.351	4.334	489.7	10	3.899	4.702	2051.	2.743	69.36
Swiss Franc	0.250	0.603	1.112	125.6	2.565	1.	1.206	526.1	0.703	17.79
Dutch Guilder	0.207	0.500	0.922	104.1	2.127	0.829	1.	436.2	0.583	14.75
Italian Lira, 1,000	0.475	1.146	2.113	238.7	4.875	1.901	2.292	1000.	1.337	33.82
Canadian Dollar	0.355	0.857	1.580	178.5	3.646	1.421	1.714	747.8	1.	25.29
Belgian Franc 100	1.404	3.390	6.249	706.0	14.42	5.621	6.779	2957.	3.954	100.

FT LONDON INTERBANK FIXING (11.00 a.m. OCTOBER 17)

3 months U.S. dollars		6 months U.S. dollars	
bid 13 5/16	offer 13 7/16	bid 13 5/16	offer 13 7/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

LONDON MONEY RATES

Oct. 17 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills Φ	Eligible Bank Bills Φ	Fine Trade Bills Φ
Overnight	—	17-20	—	—	—	—	15¾-16	—	—	—
2 days notice	—	—	17¼-17½	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	17¾-18	17¼	—	18½	18⅞-17½	15⅜-15⅞	—	—	—
One month	16 1/16-16⅛	16 1/16-16 3/16	16⅝-16¾	16¾-17	17⅛	16⅝-16⅛	15⅜	14 13/16-14 15/16	16 1/16-16⅛	16½
Two months	16½-16 7/16	16 7/16-16 9/16	—	16⅜-16¾	16⅝	—	14⅞	14 13/16	15 15/16-15⅞	16⅝
Three months	15½-15⅞	16 1/16-16¼	15⅝	15⅝-16	15⅞	16⅝-16⅛	14⅛-14⅝	14 3/16-14 11/16	15 1/16-15¼	15¾
Six months	14⅞-14⅝	15 15⅛	14⅜-14⅞	14½-14⅞	15⅛	15¾	—	—	15¾	14⅝
Nine months	14⅛-14⅛	14½-14⅜	—	14⅜-14¾	14⅝	15¼	—	—	—	—
One Year	13 15/16-13 15/16	14 1/16-14 3/16	13⅞-14	13⅞-14⅛	14⅝	15	—	—	—	—
Two years	—	—	13⅝	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 13½ per cent; four years 13¼-13½ per cent; five years 13⅛-13⅝ per cent. ΦBank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 14⅞ per cent; four-months trade bills 15¾ per cent.

Approximate selling rate for one-month Treasury bills 14 5/16-14 11/32 per cent; two-months 14 9/32-14 11/32 per cent, three-months 14 7/32-14 9/32 per cent. Approximate selling rates for one-month bank bills 15 15/16-16 per cent; two-months 15 15/16-15⅞ per cent; three-months 15 1/16-15⅛ per cent; one-month trade bills 16¼ per cent; two-months 16⅛ per cent and three-months 15½ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 16½ per cent from October 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 14 per cent. Clearing Bank Rates for lending 16 per cent. Treasury Bills: Average tender rates of discount 14.2720 per cent.

CURRENCY MOVEMENTS

Oct. 16	Bank of England Index	Morgan Guaranty Changes%
Sterling	77.0	−23.8
U.S. dollar	83.7	−9.9
Canadian dollar	80.5	−17.4
Austrian schilling	153.1	+23.6
Belgian franc	114.1	+12.6
Danish kroner	105.1	−5.7
Deutsche mark	151.7	+42.0
Swiss franc	197.0	+82.0
Guilder	125.3	+19.7
French franc	100.1	−6.3
Lira	52.0	−51.8
Yen	137.6	+35.0

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

EURO-CURRENCY INTEREST RATES (Market Closing Rates)

Oct. 17	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	18½-19	12⅞-13⅛	8¾-9¾	9 1/16-9⅝	1-1¼	8 3/16-8 7/16	11⅝-11⅞	14-17	4¾-4⅞	8-8½
7 days' notice	17½-18	13-13¼	9⅛-10½	9 1/16-9⅝	1½-2	8 3/16-8 7/16	11⅝-11⅞	17¼-19¼	13-13⅛	8½-9
Month	16 5/16-16 7/16	13⅞-14⅛	10¼-10½	9⅜-9⅝	4 7/16-4 9/16	8½-8⅝	11 15/16-11 15/16	21-22	13 11/16-13 13/16	9¼-9½
Three months	16⅛-16¼	13 5/16-13⅜	11¼-11½	9 7/16-9⅝	5 7/16-5 9/16	8 9/16-8⅝	11⅞-12⅛	18¾-19¾	13¼-13⅜	9⅜-9⅝
Six months	15 9/16-15 11/16	13 5/16-13⅜	12-12¼	9 7/16-9⅝	5 7/16-5 9/16	8 9/16-8 11/16	12 1/16-12 5/16	23-24	13 3/16-13 5/16	9⅜-9⅝
One Year	14 1/16-14 3/16	12¾-13	12-12¼	9 7/16-9⅝	5 7/16-5 9/16	8 9/16-8 11/16	12 3/16-12 5/16	22½-23½	12⅝-12¾	9¼-9½

Long-term Eurodollar two years 12¾-13 per cent; three years 12¾-13 per cent; four years 12¾-13 per cent; five years 12¾-13 per cent nominal closing rates. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two-days' notice. Asian rates are closing rates in Singapore.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 12.95-13.05 per cent; three-months 13.00-13.10 per cent; six-months 12.90-13.00 per cent; one year 12.60-12.70 per cent.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU October 17	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.8483	+2.66	+0.92	±1.53
Danish Krone	7.72336	7.84417	+1.56	−0.18	±1.64
German D-Mark	2.48208	2.54661	+2.68	+0.94	±1.125
French Franc	5.85700	5.88295	+0.61	−1.13	±1.3557
Dutch Guilder	2.74362	2.76375	+0.73	−1.01	±1.512
Irish Punt	0.668201	0.679483	+1.69	−0.05	±1.668
Italian Lira	1157.79	1209.62	+4.48	+2.83	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times

OTHER CURRENCIES

Oct. 17	£	$		£ Note Rates
Argentina Peso	4697-4707	1940-1947	Austria	31.20-31.80
Australia Dollar	2.0525-2.0565	0.8505-0.8510	Belgium	70.85-71.55
Brazil Cruzeiro	140.77-141.77	58.28-58.48	Denmark	13.64-13.79
Finland Markka	8.90-8.91	3.6800-3.6810	France	10.20-10.30
Greek Drachma	103.565-106.061	42.80-42.95	Germany	4.43-4.47
Hong Kong Dollar	12.131-12.151	5.0170-5.0200	Italy	2085-2188
Iran Rial	n.a.	n.a.	Japan	502-507
Kuwait Dinar(KD)	0.642-0.648	0.2672-0.2673	Netherlands	4.79-4.83
Luxembourg Frc.	71.20-71.30	29.45-29.50	Norway	11.80-11.90
Malaysia Dollar	5.1390-5.1490	2.1250-2.1270	Portugal	116-129
New Zealand Dlr.	2.4570-2.4620	1.0180-1.0190	Spain	174½-184
Saudi Arab. Riyal	7.98-8.04	3.3200-3.3220	Sweden	10.09-10.21
Singapore Dollar	5.0345-5.0445	2.0820-2.0840	Switzerland	3.97½-4.01½
Sth. African Rand	1.8130-1.8140	0.7505-0.7510	United States	2.41-2.42½
U.A.E. Dirham	8.87-8.93	3.6875-3.6925	Yugoslavia	73-76

Rate given for Argentina is free rate.

U.K. CONVERTIBLE STOCKS 18/10/80

Statistics provided by *dataSTREAM International*

Name and description	Size (£m)	Current price	Terms*	Conversion dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Div.▽	Cheap(+) Dear(−)◊ Current
British Land 12pc Cv. 2002	7.71	312.00	333.3	80-97	3.8	1.1	−1.5	−6 to 4	17.3	86.7	21.9	+23.4
Hanson Trust 6½pc Cv. 88-93	3.02	94.00	57.1	76-81	6.9	7.3	−7.1	−9 to 1	3.2	0.0	−3.1	+3.9
Slough Estates 10pc Cv. 87-90	5.44	272.00	187.5	78-85	3.7		0.7	−6 to 2	28.3	35.4	2.6	+1.9
Slough Estates 8pc Cv. 91-94	24.88	126.00	78.0	80-91	6.4	4.9	14.0	11 to 19	25.9	49.4	20.9	+6.9

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ▽ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◊ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness, − is an indication of relative dearness.

LONDON STOCK EXCHANGE

Equities resume firm trend and index up 14.8 on week

Gilts flag after recent heavy tap stock purchases

Account Dealing Dates
Options

*First Dealings	Declarations	Last Dealings	Account Day
Sept. 29	Oct. 9	Oct. 10	Oct. 20
Oct. 13	Oct. 23	Oct. 24	Nov. 3
Oct. 22	Nov. 6	Nov. 7	Nov. 17

* "New time" dealings may take place from 9 am two business days earlier.

London equity markets showed no sign yesterday of extending Thursday's easier tendency and ended one of their best weeks for some time on a fully firm note. This week's upturn has been engendered by hopes of a more realistic level of wage settlements following the Engineers' acceptance of an 8.2 per cent pay deal and by the recent investment of substantial funds in Gilt-edged securities.

Conditions were generally quiet yesterday, but the encouraging tenor of both the Chancellor's and the Governor of the Bank of England's speeches on money growth and inflation outlook, prompted occasional support of leading equities. This was reflected in a gradual rise in the FT 30-share index which closed with a modest gain of 0.7 at 481.1, but a rise on the week of 14.8.

British Funds began with a small recovery but the movement soon fizzled out. Investors were still having difficulty in digesting recent heavy purchases, particularly of Exchequer 12 per cent 1998 A, official supplies of which ran out on Wednesday. Initial gains of ¼ among both shorts and longs were thus soon surrendered and the latter closed unchanged or ¼ lower on the day, while the shorts were generally easier. Against this background, the new medium tap, Exchequer 11¾ per cent 1986, made an uninspiring debut and closed at 29¾, or ¼ discount in £30-paid form.

Among second-line equities, much of the day's interest centred around companies reporting trading news and adverse movements were in the majority. Of the sectors, the cautiously optimistic statement on outlook from Marks and Spencer influenced Stores and, in a market technically short of stock, useful gains were established. Electricals, although well below the best, also finished on a relatively sound note.

Traded options ended the week in buoyant mood with 2,596 contracts completed for a week's daily average of 2,072. Marks and Spencer remained active with 479 deals.

Wintrust jump

For the first time this week, features were hard to find in the banking sector as the volume of business contracted considerably. However, Wintrust stood out with a speculative rise of 10 to 82p.

Quietly dull conditions prevailed in Insurance Composites. Renewed profit-taking clipped a further 14 from Sun Alliance, at 754p, while Royals, 435p, and Phoenix, 284p, lost 8 apiece.

After opening around 6 higher on overnight speculative demand, Montague L. Meyer touched 102p before a bout of selling left the close a penny cheaper on balance at 94p. Other Timber issues drifted down, Magnet and Southerns losing 2 to 116p and Mallinson-Denny a penny to 67p. British Dredging hardened a penny to 21p on increased annual profits, while Crouch Group rose 10 further to 180p for a gain on the week of 25. Y. J. Lovell improved 3 to 164p and Brownlee a penny to 62p, the latter following favourable Press mention.

Business in ICI was smaller and the close was a net 2 off at 326p. Fisons held at 192p but Allied Colloids shed 5 to 109p.

John Michael flat

The confident view of prospects accompanying Thursday's interim results prompted a useful business in Marks and Spencer, which touched 112p before settling for a net gain of 3 at 109p. Other Store leaders were marked higher on hopes of good pre-Christmas trading, but lack of follow-through support left most issues a shade below the best. Boots ended 5 up at 231p, after 234p, while GUS A closed 8 better at 446p, after 448p. British Home, interim results due on Wednesday, touched 153p before finishing a penny dearer on balance at 151p. Among secondary issues, revived interest was shown for mail-orders with Grattan, 76p, and Freemans, 112p, adding 6 and 4 respectively. Bid hopes lifted Owen Owen 8 more to 122p and, for a similar reason, J. Hepworth firmed 3 to a 1980 peak of 95p. John Michael provided a dull late feature, dropping 8 to 13p following the substantial full-year loss, while Allebone shed a couple of pence to 17p on the increased interim deficit. In Shoes, Stylo, at 120p, recovered the previous day's fall of 10 which stemmed from disappointing interim results.

Electrical leaders encountered renewed investment support and improved soon after the outset, but the best levels were not held. Thorn EMI put on 7 to 339p, after 340p, while GEC moved between 540p and 530p before settling at 535p, up 3 on balance. Racal firmed 4 to 324p as did BICC to 162p. Elsewhere, Ferranti, 454p, and STC, 450p, appreciated 7 a piece, while the recently favoured First Castle Securities gained a similar amount at 60p. Vitatron, on the other hand, fell 25 to 200p on the annual profits setback, while Audiotronic slipped a penny to 2½p following news of the increased loss and accompanying announcement of the chairman's resignation. Still reflecting adverse comment on the bid situation, Laurence Scott softened a penny more to 59p; bidder Mining Supplies lost 6 further to 124p. Telephone Rentals gave up 3 at 275p ahead of Wednesday's interim figures.

Marked down to a 1980 low of 63p after news of the token dividend payment and £1.4m interim deficit, Stothert and Pitt rebounded sharply to close only a couple of pence cheaper on the day at 80p, the rally helped by the accompanying optimistic statement. Elsewhere in Engineering, Turriff fell 8 to 74p in reaction to the disappointing results, while Concentric reflected adverse comment with a fall of 2½ to 54½p. Profit-taking in the wake of the recent good rise on nationalisation compensation hopes clipped 5 from Vosper but the shares still recorded a gain on the week of 25 at 100p. Northern Engineering improved 4 to 62p on further consideration of the proposed acquisition of a 90 per cent stake in Extel Corporation of the U.S. and, the successful placing of 20m shares in NE to help finance the deal. Hill and Smith rose 4 to 54p and Peter Brotherhood put on 3 to 126p.

Leading Foods often improved with J. Sainsbury again prominent at 535p, up 10. Press comment helped Tate and Lyle add 4 at 158p, while Cadbury Schweppes hardened a fraction to 67½p. The lifting of the threat to bread supplies caused Associated British Foods to rise 2 to 125p. Outside of the leaders, Bernard Matthews shed 10 to 240p in a thin market, but William Morrison added 5 at 170p despite a "sell" recommendation.

Utd Carriers up

Secondary issues provided the main focal points in miscellaneous industrials. United Carriers were notable for a Press-inspired gain of 8 to 220p, while investment buying prompted improvements of 6 and 8 respectively in BTR, 364p, and Ricardo, 442p. Aeronautical and General rose 10 afresh to 340p on speculative support and Renwick revived with a rise of 5 to 50p. Mettoy, however, lost 2 to 19p on the interim dividend omission and £2.2m first-half loss, while Courtney Pope also reflected disappointing results with a fall of 3 to 42p. Nervous offerings ahead of mid-term figures due shortly clipped 6 from Sketchley at 234p.

Coral Leisure dropped to 75p before closing 11 down on balance at 81p on the Monopolies Commission reference and resultant lapsing of the bid from Grand Metropolitan; the latter rose 4 to 157p. Speculative interest was sparked off in Associated Leisure, which put on 10 to 127p, while Ladbroke were raised 4 to 229p.

Link House responded afresh to speculative interest and rose 4 for a gain on the week of 21 at 221p. Elsewhere, support was again noted for Mills and Allen, 13 up at 333p.

Properties ended the first leg of the Account on a steady to firm note. Among the leaders, Land Securities improved a couple of pence to 390p. Buying ahead of next Tuesday's preliminary results left Peachey 2 dearer at 168p, after 170p, while Stock Conversion added 5 to 320p and Slough Estates hardened a penny to 145p. Percy Bilton appreciated 2 to 206p and M. P. Kent 3 to 78p.

Attock firm

The possibility of higher crude oil prices following reports of Abu Dhabi's $2 a barrel increase caused initial firmness in the Oil sector, but profit-taking left leading quotations with modest losses on balance. British Petroleum and Shell both closed a couple of pence cheaper at 438p and 444p respectively. Ultramar shed 10 to 440p, but Lasmo ended 7 dearer on balance at 795p, after 800p. Attock put on 12 to 298p ahead of next Monday's preliminary results, while Aran added 10 to 325p and Premier gained 3 to 98p. IC Gas picked up 10 at 300p and Pict Petroleum revived with a gain of 35 to 390p. Elsewher, Shackleton Petroleum added 10 more to 94p in continued response to its 6 per cent stake in a successful Alaskan gas well.

Trusts generally trended firmer and particular attention was paid to Far-Eastern counters with G.T. Japan, 230p, Jardine Japan, 126p, and Crescent Japan, 220p, all gaining 5. Atlantic Assets rose 7 more to 242p on its North Sea oil interests. Dealings were resumed in Cumulus, which ended at 60p against Monday's suspension price of 45p, following details of the offer from Greycoat Estates, 5 better at 146p. Provincial Cities hardened 1½ to 40p following the bid terms from Brooke Tool, 4 down at 48p.

Shippings ended the first leg of the Account quiety. Hunting Gibson met with profit-taking after the previous day's interim figures and fell 8 to 138p.

Small rises were the order of the day among Textiles. Sirdar firmed 3 to 98p, while Dawson added 2 more to 121p. Marks and Spencer suppliers tended firmer with Nottingham Manufacturing closing 4 higher at 101p. Albert Martin fell to 26p after announcement of the interim loss and dividend passing, but support was forthcoming at the lower level and the close was a net 2 up at 30p. Lister eased a penny to 36p on the annual loss.

Australians quiet

Trading in Greenbushes Tin and Vultan Minerals, two of the week's most volatile mining stocks, was a little quieter yesterday. Profit-taking left Greenbushes 75 weaker at 575p, while fresh speculative buying pushed Vultan a further 25 higher to 300p, after 350p at one stage.

Other Australians were mostly quiet on the last trading day before the Federal Election, with Peko-Wallsend, 35 lower at 540p, the main feature. Pancontinental Mining and Central Pacific lost 10 each to 360p and 340p respectively.

The Gold Mines index fell 7.8 to 500.5 as most South African Golds lost ground. East Rand Proprietary led the way with a decline of £1 to £15¼, while falls of ¾ were common to West Driefontein at £45¾, Vaal Reefs at £39¾, President Brand at £31 and Durban Deep at £20¾. Western Holdings and Hartebeestfontein lost ⅝ apiece to £46⅝ and £44⅝ respectively. Free State Geduld eased ½ to £37½ and President Steyn were a similar amount off at £28½.

Among cheaper-priced issues, Grootvlei and "Sallies" both lost 33 to 600p. Venterspost fell 28 to 972p, and ERGO reacted 23 to 610p. Declines of around 12 were common to Kinross at 703p, Elandsrand at 589p, Western Areas at 496p, Free State Saiplaas at 496p and Loraine at 414p.

South African Financials were mixed, with Gencor ½ weaker at £11½. On the other hand, Gold Fields of South Africa and "Johnnies" gained ¼ to £45¼ and £36¾, respectively. Anglovaal lost £1 to £19.

In London Financials, Continental selling left Consolidated Gold Fields 17 lower at 643p, but Charter Consolidated firmed 5 to 277p and RTZ gained 2 to 462p.

In generally quiet Tins, Petaling reached a new peak for 1980 of 365p with a gain of 10.

FINANCIAL TIMES STOCK INDICES

	Oct. 17	Oct. 16	Oct. 15	Oct. 14	Oct. 13	Oct. 10	A year ago
Government Secs	70.74	70.79	71.48	71.12	70.94	70.65	70.68
Fixed Interest	72.30	72.31	72.38	72.14	71.90	72.01	71.68
Industrial Ord.	481.1	480.4	485.5	477.4	472.4	466.5	459.8
Gold Mines	500.5	508.3	513.7	525.0	539.9	532.6	211.8
Ord. Div. Yield	7.65	7.67	7.60	7.72	7.78	7.90	7.13
Earnings, Yld. % (full)	17.29	17.33	17.18	17.45	17.64	17.82	17.20
P/E Ratio (net) (*)	7.05	7.04	7.10	6.99	6.98	6.87	7.15
Total Bargains	20,051	20,311	21,040	20,417	18,610	20,469	19,890
Equity turnover £m.	—	120.27	147.70	135.02	102.45	146.90	163.06
Equity bargains total	—	16,132	15,752	16,593	15,499	17,850	16,584

10 am 480.4. 11 am 482.1. Noon 482.2. 1 pm 482.2.
2 pm 481.8. 3 pm 481.8.
Latest Index 01-246 8026.
*Nil = 6.57.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1980 High	1980 Low	Since Compilat'n High	Since Compilat'n Low
Govt Secs.	72.54 (21/7)	63.85 (7/5)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	74.08 (24/7)	64.70 (10/3)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	508.9 (12/9)	406.9 (3/1)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines.	558.9 (22/9)	265.5 (18.6)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	Oct. 17	Oct. 16
—Daily		
Gilt Edged	92.8	93.2
Industrials	84.7	95.2
Speculative	49.2	45.1
Totals	64.1	77.9
5-day Avrge.		
Gilt Edged	97.8	99.8
Industrials	94.3	97.3
Speculative	55.3	60.2
Totals	70.8	72.5

NEW HIGHS AND LOWS FOR 1980

The following shares quoted in the Share Information Service yesterday attained new Highs and Lows for 1980

NEW HIGHS (80)

BRITISH FUNDS (1)
Exchqr. 12¼pc 1981

AMERICANS (1)
Shell Oil

BANKS (5)
Barclays; Smith St. Aubyn; First Nat; Wintrust; Manson Finance

BUILDINGS (5)
Aberdeen Constrctn.; Lovell (Y. J.); Benlox; Mowlem (J.); Crouch Group

STORES (1)
Hepworth (J.)

ELECTRICALS (4)
Crystalate; Suter Elect. Defd.; First Castle; Whitworth Elect.

ENGINEERING (3)
Braithwaite; Smith Whitworth; Brotherhood (P.)

FOODS (1)
Sainsbury (J.)

HOTELS (1)
Ladbroke

INDUSTRIALS (10)
Aeronautical Genl.; Gieves; Barget; Jardine Matheson; Cawoods; Pentland; Dover Corp.; Sears Hldgs.; Esperanza; Utd. Carriers

LEISURE (2)
Assoc. Leisure; Lancaster (D. M.)

MOTORS (1)
Brit. Car Auctions

NEWSPAPERS (1)
Link House

PROPERTY (6)
Amal. Estates; Peachey; Evans of Leeds; Regional Prop.; Mountview Ests.; Do. A

TRUSTS (34)
Ailsa Inv; Monks Inv.; Alliance Inv.; Moorgate Inv; Atlantic Assets; Moorside Trust; Berry Trust; Northern Secs.; Broadstone; Oil & Assoc. Inv.; Continental & Indl.; Provincial Cities; Crescent Japan; Scottish Amer Inv.; Cumulus Inv.; Scottish European; Dualvest Inc.; Scot. Mort. & Trust; Edinburgh Am. Tst.; Scottish Utd. Inv.; F. & C. Eurotrust; Stockholders Inv.; G.T. Japan; Technology; General Funds; Trans. Oceanic; Genl. Stockholders; Viking Resources; Group Investors; Witan Inv.; Investors Cap.; Yeoman Inv.; London & Montrose; Smith Bros.

OIL & GAS (3)
British Borneo; Shackleton Pet.; North Sea Assets

MINES (1)
Petaling

NEW LOWS (29)

AMERICANS (1)
Burroughs Corp.

CANADIANS (1)
Massey Ferguson

BUILDINGS (1)
Phoenix Timber

CHEMICALS (2)
Akzo; Bayer AG

STORES (3)
Burton Group; Pawson (W. L.); Michael (J.)

ELECTRICALS (3)
Audiotronic; Vitatron NV; Dreamland

ENGINEERING (8)
Camford Eng'g; Newman Tonks; Expanded Metal; Stothert & Pitt; Greenbank; Turriff; Neepsend; Weir Group

INDUSTRIALS (5)
Bifurcated Eng'g; Spear (J. W.); Courtney Pope; UKO Int.; Prestige

NEWSPAPERS (1)
Bristol Ev. Post

PROPERTY (1)
Wereldhave

TEXTILES (1)
Martin (A.)

TEAS (1)
Lawrie Plant.

MINES (1)
Seltrust A

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the Week Up	On the Week Down	On the Week Same
British Funds	7	51	37	236	140	99
Corpns. Dom. & Foreign Bonds	4	24	37	44	38	245
Industrials	206	234	950	1,453	889	4,608
Financial and Property	117	101	276	906	348	1,216
Oils	22	19	17	153	56	81
Plantations	1	4	19	5	21	94
Mines	13	80	66	168	290	337
Others	30	88	60	243	241	404
Totals	400	601	1,462	3,208	2,021	7,084

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Oct. 20	Oct. 31	Jan. 22	Feb. 2
Nov. 3	Nov. 14	Feb. 5	Feb. 16
Nov. 17	Nov. 28	Feb. 26	Mar. 9

For rate indications see end of Share Information Service

Stocks favoured for the call included Raglan Property, British Land, Premier Oil, Tate and Lyle, Ben Williams, Trust Securities, De Vere Hotels, Lonrho, Security Centres, FNFC, Charterhouse Petroleum, K Shoes, Charterhall, Coral Leisure, Montague L. Meyer, Britannia Arrow, Duple and Western Mining. Harmony and BP were dealt in for the put, while doubles were arranged in Raglan Property and Montague L. Meyer.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri., Oct. 17, 1980 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thurs., Oct. 16 Index No.	Wed., Oct. 15 Index No.	Tues., Oct. 14 Index No.	Mon., Oct. 13 Index No.	Year ago (approx.) Index No.	1980 High	1980 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (171)	286.55	+0.2	15.40	5.77	7.88	286.07	287.04	284.10	279.62	234.83	296.77 (12/9)	208.87 (3/1)	296.77 (12/9/80)	50.71 (13/12/74)
2	Building Materials (28)	251.20	−0.3	18.94	6.82	6.27	251.95	252.52	250.73	245.72	231.10	268.14 (21/7)	194.00 (3/1)	270.52 (8/5/79)	44.27 (11/12/74)
3	Contracting, Construction (27)	422.64	—	21.59	5.87	5.47	422.75	423.08	419.78	413.39	368.11	437.01 (19/9)	313.00 (3/1)	451.74 (4/5/79)	71.48 (2/12/74)
4	Electricals (17)	897.84	+0.7	10.85	2.97	11.33	891.83	894.51	885.34	872.88	599.08	915.94 (12/9)	539.56 (2/1)	915.94 (12/9/80)	84.71 (25/6/62)
5	Engineering Contractors (11)	356.35	+1.4	17.37	7.25	7.34	351.56	347.18	344.66	338.30	319.42	356.79 (18/9)	264.74 (30/5)	429.78 (4/5/79)	64.39 (2/1/75)
6	Mechanical Engineering (72)	177.76	−0.2	16.33	7.57	7.46	178.16	179.15	176.88	173.98	158.42	190.20 (18/7)	146.46 (3/1)	211.08 (8/5/79)	45.43 (6/1/75)
8	Metals and Metal Forming (16)	156.08	−0.3	18.71	10.39	6.65	156.53	158.10	155.86	153.95	157.62	173.09 (18/7)	141.95 (2/1)	192.29 (4/5/79)	49.65 (6/1/75)
11	CONSUMER GOODS (DURABLE) (48)	239.43	+0.5	13.37	5.26	8.95	238.16	239.13	238.32	234.33	228.59	253.81 (12/9)	184.82 (3/1)	259.88 (8/5/79)	38.39 (6/1/75)
12	Lt. Electronics, Radio, TV (14)	371.85	+0.9	10.22	3.72	11.89	368.36	368.87	367.16	360.26	324.36	392.58 (10/9)	247.36 (3/1)	392.58 (10/9/80)	42.85 (13/12/74)
13	Household Goods (13)	88.39	−1.0	25.59	11.13	4.94	89.29	89.53	89.34	89.29	140.25	116.40 (1/1)	87.06 (2/9)	263.22 (4/5/72)	63.92 (17/12/74)
14	Motors and Distributors (21)	95.24	−0.7	22.68	9.82	5.08	95.89	97.25	97.33	96.10	109.40	115.86 (29/1)	94.70 (4/6)	170.59 (15/1/69)	19.91 (6/1/75)
21	CONSUMER GOODS (NON DURABLES) (171)	237.28	+0.6	17.26	6.81	7.00	235.86	236.58	234.57	232.08	234.53	248.78 (12/9)	200.15 (3/1)	269.81 (4/5/79)	61.41 (13/12/74)
22	Breweries (14)	275.61	−0.7	16.44	6.68	7.10	277.69	278.65	277.02	273.84	291.59	306.45 (8/7)	248.93 (3/1)	306.45 (8/7/80)	69.47 (13/12/74)
23	Wines and Spirits (5)	290.81	−0.4	21.05	7.00	5.62	292.09	296.82	297.02	293.12	322.89	338.01 (9/9)	278.92 (2/6)	352.29 (29/3/79)	78.88 (13/12/74)
24	Entertainment, Catering (17)	344.08	+0.5	16.91	6.50	7.29	342.48	344.62	342.48	339.75	323.58	352.05 (18/9)	268.87 (3/1)	374.32 (3/5/79)	54.83 (9/1/75)
25	Food Manufacturers (22)	217.56	+0.4	18.31	6.98	6.44	216.69	217.22	216.44	214.54	211.87	226.47 (18/9)	183.95 (28/3)	236.75 (4/5/79)	59.67 (11/12/74)
26	Food Retailing (13)	390.75	+0.7	11.98	3.95	9.93	387.90	391.07	380.74	375.91	310.44	403.65 (18/9)	286.28 (3/1)	403.65 (18/9/80)	54.25 (11/12/74)
32	Newspapers, Publishing (12)	437.44	+0.3	21.81	6.65	6.14	436.23	433.21	433.23	430.91	426.97	456.79 (1/10)	378.52 (3/1)	492.56 (8/5/79)	55.08 (6/1/75)
33	Packaging and Paper (15)	119.13	−1.1	29.35	10.87	3.97	120.45	120.43	119.43	118.72	128.78	140.51 (21/7)	111.30 (3/1)	155.65 (14/9/78)	43.46 (6/1/75)
34	Stores (44)	238.49	+1.7	12.73	5.28	10.26	234.57	234.33	231.92	230.05	228.03	246.85 (12/9)	188.71 (3/1)	273.48 (4/5/79)	52.63 (6/1/75)
35	Textiles (21)	125.25	+1.1	25.01	12.27	4.87	123.91	122.84	121.29	118.41	151.17	140.52 (14/7)	116.89 (6/6)	235.72 (17/1/67)	62.66 (11/12/74)
36	Tobaccos (3)	218.71	+0.2	26.24	10.64	4.34	218.20	220.76	219.28	214.83	232.45	240.29 (12/9)	192.86 (3/1)	339.16 (2/8/72)	94.34 (13/6/62)
37	Toys and Games (5)	25.08	−2.0	8.96	12.72	25.79	25.59	25.79	26.02	26.02	63.49	47.59 (1/1)	23.85 (23/9)	135.72 (16/1/70)	20.92 (6/1/75)
41	OTHER GROUPS (98)	217.94	−0.2	16.01	7.18	7.48	218.37	218.15	216.88	214.65	205.13	230.85 (21/7)	184.19 (3/1)	234.76 (8/5/79)	58.63 (6/1/75)
42	Chemicals (16)	294.55	−0.1	17.99	8.24	6.50	294.99	295.10	294.11	290.48	287.00	326.53 (7/7)	276.80 (3/1)	329.77 (4/5/79)	71.20 (1/12/74)
43	Pharmaceutical Products (7)	222.95	−0.5	11.26	6.28	10.99	224.08	224.46	221.24	221.69	226.47	243.21 (19/9)	175.38 (28/5)	291.13 (14/9/78)	175.38 (28/5/80)
44	Office Equipment (6)	105.25	−0.2	19.41	7.88	6.01	105.46	105.04	104.75	101.01	116.41	123.10 (14/2)	95.26 (24/9)	246.06 (1/9/72)	45.34 (2/1/75)
45	Shipping (10)	556.10	−0.3	13.22	6.50	9.24	557.68	562.51	561.41	558.76	466.35	617.88 (22/8)	411.53 (10/1)	617.88 (22/8/80)	90.80 (29/6/62)
46	Miscellaneous (59)	280.69	−0.1	16.53	6.64	7.38	280.88	279.44	277.98	275.52	244.30	287.99 (31/7)	211.86 (3/1)	287.99 (31/7/80)	60.39 (6/7/75)
49	INDUSTRIAL GROUP (488)	252.65	+0.3	16.19	6.49	7.46	251.90	252.48	250.46	247.39	234.35	264.55 (12/9)	203.76 (3/1)	273.01 (4/5/79)	59.01 (13/12/74)
51	Oils (12)	923.60	−0.4	25.88	5.66	4.30	932.24	920.21	898.59	889.15	795.50	932.24 (16/10)	668.86 (8/1)	932.24 (16/10/80)	87.23 (29/5/62)
59	500 SHARE INDEX	306.08	+0.1	18.48	6.29	6.35	305.67	305.27	301.71	298.14	278.67	308.36 (12/9)	241.13 (3/1)	308.36 (12/9/80)	63.49 (13/12/74)
61	FINANCIAL GROUP (118)	251.75	−0.3	—	5.21	—	252.43	253.48	251.51	247.64	191.33	256.71 (18/9)	175.85 (3/1)	256.71 (18/9/80)	55.88 (13/12/74)
62	Banks (6)	260.60	−0.2	39.21	6.46	3.05	261.22	258.72	257.66	253.01	223.26	261.22 (16/10)	201.01 (8/4)	288.32 (20/7/72)	62.44 (12/12/74)
63	Discount Houses (10)	300.32	+0.4	—	5.64	—	299.05	296.29	290.09	288.38	247.15	303.18 (23/7)	206.50 (18/3)	303.18 (25/7/80)	81.40 (10/12/74)
64	Hire Purchase (5)	229.77	−1.5	10.80	4.39	12.50	233.16	231.34	230.79	230.23	180.32	253.41 (24/7)	160.72 (3/1)	433.74 (4/5/72)	38.83 (11/12/74)
65	Insurance (Life) (10)	257.36	−0.2	—	5.12	—	257.89	260.58	258.25	254.23	158.89	269.93 (18/9)	151.80 (3/1)	269.93 (18/9/80)	44.88 (2/1/75)
66	Insurance (Composite) (9)	167.50	−1.1	—	6.78	—	169.40	172.43	171.73	168.54	123.85	183.32 (18/9)	117.05 (3/1)	183.32 (18/9/80)	43.96 (13/12/74)
67	Insurance Brokers (9)	343.88	−0.5	13.40	6.72	10.22	345.51	348.29	347.32	338.76	270.05	366.44 (18/9)	256.48 (3/1)	372.27 (11/8/78)	65.86 (16/12/74)
68	Merchant Banks (13)	155.29	−0.2	—	4.90	—	155.55	154.22	152.24	147.43	97.41	155.55 (16/10)	87.47 (3/1)	278.57 (1/5/72)	31.21 (7/1/75)
69	Property (45)	467.26	+0.5	3.08	2.56	45.29	464.97	470.21	465.01	461.91	362.20	474.19 (12/9)	304.20 (3/1)	474.19 (12/9/80)	56.01 (20/4/65)
70	Miscellaneous (11)	161.23	−0.5	16.08	5.89	7.86	162.12	159.15	156.33	153.61	120.92	162.12 (16/10)	119.62 (3/1)	303.18 (18/5/72)	33.29 (17/12/74)
71	Investment Trusts (109)	285.49	+0.8	—	5.11	—	283.34	280.00	277.45	274.21	214.14	285.49 (17/10)	188.97 (3/1)	285.49 (17/10/80)	71.63 (13/12/74)
81	Mining Finance (3)	269.21	−0.6	13.20	4.87	9.02	270.92	276.02	268.23	272.19	139.04	276.02 (15/10)	161.95 (1/1)	276.02 (15/10/80)	66.31 (30/9/74)
91	Overseas Traders (20)	458.03	−0.5	10.99	6.46	10.95	460.34	458.27	457.50	454.66	343.46	460.34 (16/10)	330.03 (3/1)	460.34 (16/10/80)	97.37 (6/1/75)
99	ALL-SHARE INDEX (750)	297.33	+0.1	—	5.98	—	297.16	297.04	293.77	290.36	254.23	298.49 (12/9)	225.06 (3/1)	298.49 (12/9/80)	61.92 (13/12/74)

FIXED INTEREST PRICE INDICES

	British Government	Fri., Oct. 17	Day's change %	Thurs., Oct. 16	xd adj. today	xd adj. 1980 to date
1	Under 5 years	106.74	+0.02	106.91	0.19	8.52
2	5-15 years	112.67	−0.08	113.24	0.48	10.68
3	Over 15 years	118.21	−0.08	118.30	—	11.97
4	Irredeemables	134.15	+0.06	134.07	—	9.02
5	All stocks	112.32	−0.04	112.57	0.21	10.25

FIXED INTEREST YIELDS

British Govt. Av. Gross Red.

			Fri., Oct. 17	Thurs., Oct. 16	Year ago (approx.)	1980 Highs	1980 Lows
1	Low Coupons	5 years	11.62	11.59	10.53	13.32 (4/3)	11.17 (21/7)
2		15 years	11.61	11.59	11.07	13.12 (4/3)	11.11 (21/7)
3		25 years	11.61	11.59	11.62	13.12 (4/3)	11.11 (21/7)
4	Medium Coupons	5 years	13.09	13.04	12.67	15.37 (4/3)	12.45 (21/7)
5		15 years	13.38	13.14	12.67	14.71 (4/3)	12.40 (21/7)
6		25 years	12.91	12.88	12.67	14.50 (4/3)	12.35 (23/7)
7	High Coupons	5 years	13.16	13.16	13.00	15.44 (4/3)	12.71 (17/7)
8		15 years	13.42	13.38	13.24	15.86 (4/3)	12.81 (21/7)
9		25 years	13.11	13.09	13.88	14.92 (4/3)	12.63 (23/7)
10	Irredeemables		11.12	11.12	11.37	12.53 (21/3)	10.80 (21/7)

	Fri., Oct. 17 Index No.	Fri., Oct. 17 Yield %	Thur. Oct. 16	Wed. Oct. 15	Tues. Oct. 14	Mon. Oct. 13	Fri. Oct. 10	Thur. Oct. 9	Wed. Oct. 8	Year ago app'x	1980 Highs	1980 Lows	Since Compilation Highs	Since Compilation Lows
15 20-yr. Red. Deb. & Loans (15)	54.54	13.59	54.02	54.00	53.97	53.86	53.79	53.80	53.80	58.87	55.65 (30/7)	49.12 (7/1)	113.45 (28/10/98)	37.06 (5/1/75)
16 Investment Trust Prefs. (15)	51.05	15.25	51.51	51.31	51.09	51.09	51.52	51.52	51.52	48.69	51.79 (19/9)	46.54 (2/1)	114.41 (15/9/63)	34.45 (4/12/74)
17 Coml. and Indl. Prefs. (20)	68.04	13.18	68.06	67.66	67.32	67.23	67.49	67.43	67.58	67.50	68.58 (4/8)	60.92 (27/3)	114.96 (7/10/65)	47.67 (6/1/76)

Equity Section or Group	Base Date	Base Value
Pharmaceutical Products	30/12/77	261.77
Other Groups	31/12/74	63.75
Overseas Traders	31/12/74	100.00
Engineering Contractors	31/12/71	153.84
Mechanical Engineering	31/12/71	153.54
Wines and Spirits	16/1/70	144.76
Toys and Games	16/1/70	135.72
[illegible]upment	16/1/70	[illegible]
Industrial Group	31/12/70	128.20
Miscellaneous Financial	31/12/70	128.06
Food Manufacturing	29/12/67	114.13
Food Retailing	29/12/67	114.13
Insurance Brokers	29/12/67	96.67
Mining Finance	29/12/67	100.00
All Other	10/4/62	100.00
[illegible] Government	31/12/75	100.00

† Redemption yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 25p. A fortnightly record of group and subsection indices, dividend yields and earnings figures since 1962, with quarterly highs and lows of the indices, is obtainable from the Book Sales Department, FT Business [illegible] Limited, Minster House, Arthur Street, [illegible] £50 per copy.

RECENT ISSUES

EQUITIES

Issue Price p:	Amount Paid Up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price p:	+ or −	Div. P. or Amount	Times Covered	Gross Yield	P.E. Ratio
§15	F.P.	—	32	26	††Baker (John) Pfd 10p	32	+1	—	—	—	—
**	F.P.	—	310	215	††Brint Invs.	305	−5	—	—	—	—
**	F.P.	—	438	338	BP Restricted Trans.	438	+2	17.5	4.7	5.7	4.1
80	F.P.	—	80	70	††H'sk'th M'rcyc's 50p	72	.....	—	—	—	—
67	F.P.	—	145	92	††ORE	126	+3	—	—	—	—
‡150	F.P.	—	191	180	††Trust Securities 40p	191	.....	‡7.88	2.9	6.0	—

FIXED INTEREST STOCKS

Issue price £	Amount Paid Up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price £	+ or −
§100p.	F.P.	—	115p	96p	††Baker (J) 7% Cnv. Pref.	111p	+2
**	F.P.	10/10	114p	107p	Foseco Minsep 8½% Cnv Red Cum 2nd Prf	113p	.....
**	F.P.	10/10	111	102	Do 10% Conv Uns Ln 1995	111	+2
¶	£10	—	15⅛	14⅛	Lee Valley Water 9¾% Red. Pref. 1987	15⅛	+1
‖	F.P.	31/10	117	106	Queens Moat 10½% Cons Uns Ln '89-91	107	.....
‖	F.P.	10/11	115	103⅛	R.T.Z. 9½% Conv. Uns. Ln. '95-2000	108	.....
‡	F.P.	—	97	95	S. Rhodesia 6% '78-81 Asstd.	96	.....
‡	F.P.	—	70	65	Do. 4½% '77-82 Asstd.	65	.....
‡	F.P.	—	42	35	Do. 3½% '80-85 Asstd.	36	.....
‡	F.P.	—	25	20½	Do. 4½% '87-92 Asstd.	22	.....
‖	Nil	—	7pm	3½pm	Town Centre Secs. 9% Cnv. Uns. Ln. '96, 2000	7pm	−½
‖	F.P.	17/10	36⅛	35¼	Western Deep 12% Uns. Deb. '86-93	36⅛	+1⅛
—	—	—	11¹⁄₁₆	10	Do. Options	11¹⁄₁₆	+1¹⁄₁₆
‡	F.P.	—	312	285	Zimbabwe settlement annuity Reg.	285	.....

"RIGHTS" OFFERS

Issue price p:	Amount Paid up	Latest Renunc. Date ●	Latest Renunc. Date ■	1980 High	1980 Low	Stock	Closing prices p:	+ or −
54	Nil	—	—	18pm	16pm	Argyll Foods	16pm	−2
300	F.P.	20/10	5/12	366	342	BTR	366	.....
15	F.P.	—	—	31	27	††Baker (John)	31	.....
100	F.P.	—	—	113	101	Do 7% Cnv Pref.	111	.....
115	Nil	—	—	20pm	17pm	Brixton Estate	20pm	+2
27	Nil	—	—	6½pm	6pm	Bulgin (A.F.) A	6½pm	+½
650	F.P.	20/10	10/11	800	770	Burnett & Hallamshire	790	.....
A$350	Nil	—	—	158pm	130pm	CRA	134pm	−8
157	Nil	—	—	34pm	17½pm	Cape Industries	34pm	.....
500	Nil	31/10	—	£3pm	£2½pm	Commercial Bk. of Nr. East	£2¾pm	.....
R30	Nil	—	31/10	£25½pm	£16⅛pm	ΔEast Rand Prop. Units	£16⅛pm	−2⅛
A$2	Nil	—	—	5pm	5pm	ElderSmith GoldbroughM'rt	5pm	.....
80	Nil	—	—	43pm	38pm	Huntleigh	43pm	.....
240	F.P.	6/10	14/11	365	335	M. L. Hldgs.	340	.....
280	F.P.	17/10	7/11	323	302	Mills & Allen	338	+15
260	F.P.	—	—	395	317	††Pict Petroleum	395	+5
80	Nil	—	—	5pm	5pm	Pyke (Hldgs)	5pm	.....
370	F.P.	17/10	14/11	447	428	Ricardo	447	+8

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimate. *g* Assumed dividend and yield. *u* Forecast dividend: cover based on previous year's earnings. *F* Dividend and yield based on prospectus or other official estimate for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. *pt* Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security. † Dealings under special rule. ‡‡ London Listing. ☆ Resulting from debt settlement scheme. Δ Linked units of 4 ord. and 1 option.

OFFSHORE & OVERSEAS—contd.

Gartmore Invest. Ltd. Ldn. Agts.
2, St. Mary Axe, London, EC3. 01-283 3531

Gartmore Fund Managers (C.I.) Ltd. (a)(h)
41, Broad St., St. Helier, Jersey. 0534-73741
Gilt Fund (Jersey) 98.0 103.0 ..... 12.50

Gartmore Fund Managers (Far East) Ltd. (a)(h)
1503 Hutchison Hse., 10 Harcourt Rd., H. Kong

[illegible]

Quest Fund Mngmnt. (Jersey) Ltd.
PO Box 194, St. Helier, Jersey. 0534 27441
Quest Stlg. Fxd. Int. £0.806 0.856 ..... 14.820
Quest Intl. Secs. US$1.163 1.251 ..... 2.8
Quest Intl. Bd. US$0.844 0.894 ..... 11.19
Prices on Oct. 15. Next dealing Oct. 22.

RBC Investment Managers Limited
PO Box 48, St. Peter Port, Guernsey. 0481-23021
Intl. Income Fd. US$10.20 10.78 ..... —

Ramineo Managers Ltd.
P.O. Box 1549, Hamilton, Bermuda. Bda. 292-7979
RAMINCO Oct. 6 $10.27 10.59 ..... —

[illegible]

NOTES

[illegible]

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a) (c)

Allen Harvey & Ross Unit Tst. Mngrs.

Allied Hambro Ltd. (a) (g)

Anderson Unit Trust Managers Ltd.

Ansbacher Unit Mgmt. Co. Ltd.

Arbuthnot Securities Ltd. (a)(c)

Archway Unit Tst. Mgs. Ltd.

Barclays Unicorn Ltd. (a)(c)(g)

Baring Brothers & Co. Ltd. (a)(x)

Bishopsgate Progressive Mgmt. Co.

Bridge Fund Managers (a)(c)

Britannia/Schlesinger

Schlesinger Trust Mngrs. Ltd. (a)(z)

The British Life Office Ltd. (a)

Brown Shipley & Co. Ltd. (a)(g)

Canada Life Unit Tst. Mngrs. Ltd.

Capel (James) Mngt. Ltd.

Carr, Sebag Unit Trust Managers (a)

Charities Official Invest. Fund

Chieftain Trust Managers Ltd. (a)(g)

Confederation Funds Mgt. Ltd. (a)

Craigmount Unit Tst. Mgrs. Ltd.

Crescent Unit Tst. Mngrs. Ltd. (a)(g)

Dartington Unit Trust Mngt. Ltd.

Discretionary Unit Fund Managers

E. F. Winchester Fund Mngt. Ltd.

Emson & Dudley Tst. Mngmt. Ltd.

Equity & Law Un. Tr. M. (a)(b)(c)

Fidelity International Management Ltd.

James Finlay Unit Trust Mngt. Ltd.

Framlington Unit Mgt. Ltd. (a)

Friends' Provdt. Trust Mgrs.

Funds in Court

G.T. Unit Managers Ltd.

G. & A. Trust (a)(g)

Gartmore Fund Managers (a)(g)

Gibbs (Antony) Unit Tst. Mgs. Ltd. (a)

Govett (John)

Grieveson Management Co. Ltd.

Guardian Royal Ex. Unit Mgrs. Ltd.

Henderson Administration (a) (b) (c)

Hill Samuel Unit Tst. Mgrs. (a)

Investment Intelligence Ltd. (a)(g)

Key Fund Managers Ltd. (a)(g)

Kleinwort Benson Unit Managers

L & C Unit Trust Management Ltd.

Legal & General Tyndall Fund

Leonine Administration Ltd.

Lloyds Bk. Unit Tst. Mngrs. Ltd. (a)

Lloyd's Life Unit Tst. Mngrs. Ltd.

Local Authorities' Mutual Invest. Tst.

M & G Group (y)(c)(z)

Mayflower Management Co. Ltd.

Mercury Fund Managers Ltd.

Midland Bank Group Unit Trust Managers Ltd. (a)

Minster Fund Managers Ltd.

MLA Unit Trust Mngmnt. Ltd.

Murray Johnstone U.T. Mgmt. (a)

Mutual Unit Trust Managers (a)(g)

National Provident Inv. Mngrs. Ltd.

National Westminster (a)

NEL Trust Managers Ltd. (a)(g)

Norfolk Unit Trust Managers Ltd. (c)(y)

Norwich Union Insurance Group (b)

Pearl Trust Managers Ltd. (a)(g)(z)

Pelican Units Admin. Ltd. (g)(x)

Perpetual Unit Trust Mngmt. (a)

Practical Invest. Co. Ltd. (y)(c)

Provincial Life Inv. Co. Ltd.

Prudl. Portfolio Mngrs. Ltd. (a)(b)(c)

Quilter Management Co. Ltd.

Reliance Unit Mgrs. Ltd.

Ridgefield Management Ltd.

Rothschild Asset Management (g)(x)

Rowan Unit Trust Mngt. Ltd. (a)

Royal Tst. Can. Fd. Mgrs. Ltd.

Save & Prosper Group

Schroder Wagg & Co. Ltd.

Scottish Equitable Fnd. Mgrs. Ltd.

Security Selection Ltd.

Stewart Unit Tst. Managers Ltd. (a)

Sun Alliance Fund Mngt. Ltd.

Target Tst. Mngrs. Ltd. (a)(g)

Trades Union Unit Tst. Managers

Transatlantic and Gen. Secs. Co.

Tyndall Managers Ltd. (a)(b)(c)

TSB Unit Trusts (y)

Ulster Bank (a)

Unit Trust Account & Mgmt. Ltd.

INSURANCE PROPERTY BONDS

Abbey Life Assurance Co. Ltd.

Albany Life Assurance Co. Ltd.

AMEV Life Assurance Ltd.

Barclays Life Assur. Co. Ltd.

Black Horse Life Ass. Co. Ltd.

Canada Life Assurance Co.

Cannon Assurance Ltd.

Capital Life Assurance

Charterhouse Magna Gp.

City of Westminster Assurance

Commercial Union Group

Confederation Life Insurance Co.

Cornhill Insurance Co. Ltd.

Credit & Commerce Insurance

Crown Life

Crusader Insurance Co. Ltd.

Eagle Star Insur./Midland Assur.

Equity & Law Life Ass. Soc. Ltd.

Family Assurance Society

Assicurazioni GENERALI S.p.A.

General Portfolio Life Ins. C. Ltd.

Gresham Life Ass. Soc. Ltd.

Growth & Sec. Life Ass. Soc. Ltd.

Guardian Royal Exchange

Hambro Life Assurance Limited

Hearts of Oak Benefit Society

Henderson Administration

Hill Samuel Life Assur. Ltd.

Imperial Life Ass. Co. of Canada

Irish Life Assurance Co. Ltd.

King & Shaxson Ltd.

Langham Life Assur. Co. Ltd.

Legal & General (Unit Assur.) Ltd.

Legal & General Prop. Fd. Mgrs. Ltd.

Life Assur. Co. of Pennsylvania

Lloyds Life Assurance

London Life Linked Assur. Ltd.

London Indemnity & Gnl. Ins. Co. Ltd.

The London & Manchester Ass. Gp.

M & G Group

Manufacturers Life Insurance Co.

Merchant Investors Assurance

NEL Pensions Ltd.

NPI Pensions Management Ltd.

New Zealand Ins. Co. (UK) Ltd.

Norwich Union Insurance Group

Pearl Assurance

Phoenix Assurance Co. Ltd.

Planned Savings Group

Premium Life Assurance Co. Ltd.

Prop. Equity & Life Ass. Co.

Property Growth Assur. Co. Ltd.

Providence Capitol Life Assc. Co. Ltd.

Provincial Life Assurance Co. Ltd.

Prudential Pensions Limited

Reliance Mutual

Rothschild Asset Management

Royal Insurance Group

Save & Prosper Group

Schroder Life Group

Scottish Widows' Group

Skandia Life Assurance Co. Ltd.

Standard Life Assurance Company

Sun Alliance Fund Mangmt. Ltd.

Sun Alliance Linked Life Ins. Ltd.

Sun Life of Canada (UK) Ltd.

Sun Life Unit Assurance Ltd.

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

Trident Life Assurance Co. Ltd.

Tyndall Assurance/Pensions

Vanbrugh Life Assurance

Vanbrugh Pensions Limited

Welfare Insurance Co. Ltd.

Windsor Life Assur. Co. Ltd.

OFFSHORE & OVERSEAS FUNDS

Albany Fund Management Limited

Alexander Fund

Allen Harvey & Ross Inv. Mgt. (C.I.)

Alliance International Dollar Reserves

Arbuthnot Securities (C.I.) Limited

Bank of America International S.A.

Banque Bruxelles Lambert

Barbican Managers (Jersey) Ltd.

Barclays Unicorn International

Bishopsgate Commodity Ser. Ltd.

Bishopsgate Progressive—Ldn. Agents

Bridge Management Ltd.

Britannia/Schlesinger

Brown Shipley Tst. Co. (Jersey) Ltd.

Butterfield Management Co. Ltd.

Capital International Fund S.A.

Charterhouse Japhet

Clive Investments (Jersey) Ltd.

Cornhill Ins. (Guernsey) Ltd.

Craigmount Fixed Int. Mngrs. (Jersey)

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Delta Group

Deutscher Investment-Trust

Dreyfus Intercontinental Inv. Fd.

Emson & Dudley Tst. Mgt. Jrsy. Ltd.

The English Association

Eurobond Holdings N.V.

F & C Mgmt. Ltd. Inv. Advisers

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Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INTERNATIONAL BANK

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

1980 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
91	82¾	Aust. 5½pc '81-82	90¼	–¼	6.11	13.20
85¼	72½	Do. 6pc 1981-83	85	.....	7.25	12.84
67¾	58	N.Z. 7½pc 1988-92	67½	–¼	11.08	13.09
82¼	72	Do. 7½pc '83-86	82¾	.....	9.34	12.44
96¾	88	Sth. Africa 9½pc '79-81	94xd	–¼	10.06	15.39
160	95	S. Rhod. 2½pc Non-Ass.	97	–1	28.91	30.33
169	133	Do. 6pc 78-81 N.-As.	144	.....	—	28.53

LOANS

Public Board and Ind.

[illegible]

Financial

[illegible]

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[illegible]

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[illegible]

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[illegible]

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[illegible]

Miscellaneous

180	78½	Anglo-Dominion	165	......	—	—	—
97	51	Barymin	54	......	—	—	—
17	12	Burma Mines 10p	15	......	0.62	1.1	6.0
287	53	Colby Res. Corp.	267	......	—	—	—
502	250	Cons. Murch. 10c.	280	......	t030c	1.8	6.1
180	80	††Hemerdon 10c.	95	......	—	—	—
585	325	Northgate C$1	510	......	—	—	—
*486	322	R.T.Z.	462	+2	t16.0	3.2	4.9
49	16	Robert Mines	42	......	—	—	—
126	91	††SPO Minerals 10p	126	......	—	—	—
58	26	Sabina Inds. C$1.	44	......	—	—	—
51	31	††SWCM 10p	41	......	—	—	—
650	411	Tara Exptn. $1	560	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ф Figures or report awaited.
- †† Unlisted security.
- ≠ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✣ Regional price.
- ‖ No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1981-82. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1980-81. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

			IRISH		
Albany Inv. 20p	35	......	Conv. 9% '80/82	£94⅛	......
Bertam	15	......	Nat. 9¾% 84/89	£83⅞	−½
Bdg'wtr. Est. 50p	475	......	Fin. 13% 97/02	£96½	+5½
Craig & Rose £1	£11	......	Alliance Gas	51	......
Fife Forge	37	......	Arnott	215	+3
Finlay Pkg. 5p	27	......	Carroll (P.J.)	75	......
Graig Ship. £1	£21	......	Clondalkin	106xd	+1
Higsons Brew.	67	−3	Concrete Prods.	82	......
Holt (Jos) 25p	260	+2	Heiton (Hldgs.)	34	......
I.O.M. Stm. £1	158	......	Ins. Corp.	300xd	......
Pearce (C. H.)	480	......	Irish Ropes	36	−2
Peel Mills	49	......	Jacob	33	......
Sheff. Refrshmt	95	−4	T.M.G.	63	......
Sindall (Wm.)	141	......	Unidare	80	......

OPTIONS

3-month Call Rates

Industrials		I.C.I.	27	Utd. Drapery	6½
A. Brew	7	"Imps"	6½	Vickers	12
BOC Intl.	6	I.C.L.	14	Woolworths	5½
B.S.R.	4½	Inveresk	4		
Babcock	8	Ladbroke	15	**Property**	
Barclays Bank	34	Legal & Gen.	15	Brit. Land	7
Beecham	18	Lex Service	8	Cap. Counties	9
Blue Circle	25	Lloyds Bank	24	Land Secs.	24
Boots	16	"Lofs"	3½	MEPC	17
Bowaters	15	London Brick	6	Peachey	13
B.A.T.	20	Lucas Inds.	17	Samuel Props.	12
Brown (J.)	6	"Mams"	14	Town & City	2
Burton 'A'	10	Mrks. & Spncr	8		
Cadburys	5½	Midland Bank	26	**Oils**	
Courtaulds	8	N.E.I.	5	Brit. Petroleum	32
Debenhams	8	Nat. West. Bank	27	Burmah Oil	20
Distillers	17	P & O Dfd.	10	Charterhall	10
Dunlop	7½	Plessey	14	KCA	11
Eagle Star	15	Racal Elect.	22	Premier	13
F.N.F.C.	2¼	R.H.M.	4½	Shell	35
Gen. Accident	21	Rank Org.	15	Tricentrol	40
Gen. Electric	30	Reed Intnl.	16	Ultramar	35
Glaxo	18	Sears	5		
Grand Met.	12	Tesco	6	**Mines**	
G.U.S. 'A'	34	Thorn	23	Charter Cons.	14
Guardian	23	Trust Houses	12	Cons. Gold	40
G.K.N.	20	Tube Invest.	23	Lonrho	8
Hawker Sidd	15	Unilever	40	Rio T. Zinc	35
House of Fraser	15	U.D.T.	5½		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 22

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security

FINANCIAL TIMES

Saturday October 18 1980

MAN OF THE WEEK

Jim ups the old anchor

BY MALCOLM RUTHERFORD

ON THURSDAY, the day after he announced his retirement from the leadership of the Labour Party, Mr. James Callaghan was described by friends as feeling a little flat, but also a bit relieved. He was certainly relieved at not having to attend any more of those meetings of the Party's National Executive Committee at which he had been regularly beaten over the head for the last five years—even though he was in the Navy during the war. Mr. Callaghan had no illusions either about some of the voices which had suddenly urged him to stay. They came from the same people who had systematically undermined his policies and his power.

There was also just a slight feeling that it might so nearly have been different. The Blackpool conference two weeks ago was a disaster, but on the crucial issue of who elects the party leader Mr. Callaghan failed by only 98,000 votes out of a total of over 7m, and then perhaps only because the Boilermakers made a mistake. But at heart the failure is admitted, though it had nothing to do with the decision to go. That was taken several months before.

James Callaghan
He loves being with his grandchildren . . . but only for short periods

It seems a long time since anyone referred to him as "Sunny Jim." Yet Mr. Callaghan has *always been by nature* an optimist, despite the odd bout of depression. He is in many ways *an old-fashioned figure*, with old-fashioned tastes and old-fashioned virtues. When he was *appointed Chancellor of the Exchequer*, the Callaghan belongings were moved to No. 11 in a *van from the Royal Arsenal* Co-operative. It was the first time that the Co-op had been seen in *Downing Street, though it was* impeded by the van from Harrods outside Harold *Wilson's*.

He never abandoned turn-ups on his trousers even when practically everyone else had. Shortly after he became Foreign Secretary in 1974 he decided to give up alcohol until Christmas because of the responsible nature of the job. At Christmas he decided to go until *the* completion of the EEC renegotiation. He has scarcely ever drunk since—*not* that he minds it in others. He almost never swears: a close adviser says perhaps twice *when* he was Prime Minister "and then we really knew that something was wrong."

He likes doing simple things like going for walks and going to bed early. It is said that he loves being with his grandchildren, which is true, but only for short periods. *After a bit* he becomes restless. He reads a lot, largely politics, history and biography *and hardly ever* fiction.

Once, when he had ceased to be Chancellor, he went to Cardiff for the opening of the Royal Mint. At the station he discovered that *his successor* had been on the same train. "Roy," he said, "come and see my *constituency*." "No," *said* Mr. Jenkins, "we have to have drinks with the Queen." Mr. Callaghan prevailed. He stopped the car in a working class area. "Hello Mrs. Bloggs," he said. "I've brought Roy Jenkins, the Chancellor of the Exchequer to see you." Mr. Jenkins was almost speechless with embarrassment. On Mr. Callaghan's part it was well-meant.

What will he do now? Spend more time with his wife, for a while tactfully keep out of the way of whoever succeeds him, travel, perhaps give more time to the Socialist International. There are no Callaghan diaries, but there are plenty of Callaghan memories. The former Prime Minister will almost certainly be writing a book on his 35 years of political experience.

Left presses Foot to stand

BY RICHARD EVANS, LOBBY EDITOR

THE LEFT WING campaign to prevent *Mr. Denis Healey from* gaining the Parliamentary Labour Party leadership in the *first* ballot showed signs of desperation last night as final efforts were made to draft Mr. Michael Foot to stand.

The latest counting of heads, not totally reliable because of the absence of most MPs from Westminster, showed that Mr. Healey would probably win in the first ballot against Mr. Peter *Shore and* Mr. *John* Silkin.

But if Mr. Foot could be *persuaded at the weekend to* declare his candidacy on Monday it could be a different *matter*. Mr. Healey's supporters regard any intervention by Mr. Foot as a very serious threat because of the additional votes he could attract from the Centre.

So an anxious weekend lies *ahead for Mr. Healey* as Mr. Foot considers his position, and also for Mr. Shore and Mr. Silkin, many of whose votes Mr. Foot would also take.

Pressure yesterday came publicly from Mr. Eric Heffer, Left-wing member of Labour's National Executive Committee, and from Mr. Arthur Scargill, president of the Yorkshire miners.

There was a great deal of *activity behind the scenes to* draft Mr. Foot as caretaker Leader until the revised and *enlarged franchise* agreed in principle at the Party's annual conference can be devised at the special party conference on January 24.

Mr. Heffer, speaking in Lancashire, criticised the timing of Mr. Callaghan's departure and said that there was a real danger of the Parliamentary Labour Party becoming at loggerheads with local Labour Parties and the trade unions and that this must be avoided.

He urged the Parliamentary party to accept the pleas of union leaders to make Mr. Foot the interim Leader to see the party through until the electoral college franchise was widened.

He said that Labour MPs had been selected by their local constituency parties and were *in Parliament representing* the Labour Party, not themselves. It was important, therefore, that all wings of the party worked as one and did not pull in opposite directions.

Mr. Scargill urged Yorkshire NUM-sponsored MPs to support Mr. Foot and warned: "It is my belief that constituencies will not easily forgive any MP who goes against the wishes of his general management *committee*."

He said in a statement that it was essential that all local Labour Parties met urgently to discuss the leadership and make their views known to their MPs.

His personal choice for Leader would be Mr. Anthony Wedgwood Benn, but in the very special circumstances that existed he hoped Mr. Foot would be prepared to contest the leadership and would be *elected*.

Mr. Ron Brown, MP for Leith and a member of the Tribune Group, suggested a Left-wing boycott of the Parliamentary Labour Party elections should Mr. Foot decide not to stand.

There is unlikely to be much support from his colleagues for such a boycott, as this would hand the leadership to Mr. Healey on a plate.

U.S. may supply spares to Iran

BY DAVID BUCHAN IN WASHINGTON

SENIOR U.S. Government officials have not ruled out the possibility of resuming the supply of U.S. military spare parts to Iran in the event of Iran first setting free the captive American diplomats. The move could help Iran continue to prosecute the war with Iraq.

Iran has already paid for these sorely needed spare parts and ammunition, which have sat in *bonded warehouses* at MacGuire air force base in New Jersey since the U.S. last year *froze Iranian assets and imposed* sanctions on Iran.

Mr. Edmund Muskie, the U.S. *Secretary of State, said* unequivocally this week: "If the hostages were returned, the *sanctions would automatically* go off," perhaps giving Iran spare parts for weapons.

However, the U.S. Administration has insistently denied any plans for a straight "arms-for-hostages" deal. Nor is there any indication so far that Iran is ready to negotiate any such deal.

President Carter has said he, or any top U.S. official, is prepared to meet Mr. Mohammed Ali Rajai, the Iranian Prime Minister, while the latter is in this country to put his country's case against Iraq before the UN Security Council. But there is as yet no public evidence that such a meeting is in the offing.

Mr. Carter and Mr. Zbigniew Brzezinski, his National Security Adviser, this week went out of their way to reiterate publicly that the U.S. is strongly opposed to any attempt to "dismember" Iran.

This was another warning to the Soviet Union not to exploit the conflict in the Gulf. The President also directed it towards the Baghdad Government at the same time by terming Iraq "an invading nation."

The U.S. wants a quick end to the war, and officials believe Iranian leaders will not negotiate until they regain territory lost to Iraqi forces. Supply of spare parts could help Iran field more of its American-made aircraft against Iraq, although military analysts here doubt whether this alone could reverse the tide.

The question of including arms spare parts in a general lifting of sanctions would pose a quandary for the U.S. Administration, which would be accused by either Iran or Iraq of abandoning neutrality whatever *it* does.

But Mr. Muskie suggested publicly that the Administration was leaning towards sending spare parts, if the hostages were freed and general U.S. sanctions on Iran removed, when he posed the question to reporters this week: "Should we become part of Iraq's war aims and insist on the retention of sanctions in order not to be un-neutral with respect to Iran? Think through that."

Return of the hostages before November 4 would be a very powerful boost to President Carter's re-election chances. On the other hand, openly aiding Iran in the war might alienate important U.S. friends in the region, like Saudi Arabia, which has sympathised with Iraq in the war.

Iraqis close in on Abadan, Page 2

GNP rises in third quarter

BY DAVID LASCELLES IN NEW YORK AND DAVID BUCHAN IN WASHINGTON

THE U.S. economy showed further signs of strength in the *third* quarter, when gross national product rose at an annual rate of 1 per cent, government statistics showed yesterday.

But the growing pace of economic activity prompted more banks to increase their prime rate to 14 per cent.

The unexpectedly strong performance of the economy in the third quarter comes as good news for President Carter in the closing weeks of the election campaign. It confounds the summer expectation that it would continue to drop, after the precipitous fall in the April-June quarter.

The rise in third quarter GNP was chiefly because of heavy consumer spending, in contrast to the second quarter. Yesterday's estimate by the Commerce Department for the third quarter is only preliminary.

If later revisions show no marked change, it means the U.S. never went into recession, technically defined as a real drop in GNP for two successive quarters. The 9.6 per cent annual rate drop in the 1980 second quarter was more than sharp enough to give the country the impression it had gone *into a deep slump*.

Most of the major banks increased their prime rate from 13½ per cent to 14 per cent, bringing them in line with Citibank which alone made the move 10 days ago.

Retail prices

Continued from Page 1

increase in beer prices. Other influences were dearer newspapers, vegetables and average charges for electricity. These rises were partially offset by lower prices for petrol and some fresh fruits.

The Government tax and price index, which measures the change in gross taxable income needed to maintain after-tax pay packets in real terms, rose by 17.3 per cent in the year to September, compared with a 17.8 per cent rise previously.

Our Labour Staff writes: A 4 per cent cut in interest rates should be made now to help industry and people with mortgages, and bring prices down, Mr. Len Murray, TUC general secretary, said last night.

"It would be a hint that the Government recognises that deepening despair is the biggest threat of all to our industries."

Speaking in Cornwall Mr. Murray said that Government policies were causing industrial chaos, yet the Prime Ministers' eyes were tight shut "and her heart hardened by the iron gods of monetarism."

Monopolies reference

Continued from Page 1

of Grand Met's offer. Mr. Coral was on the way back from a U.S. business trip.

By the offer's first closing date on Thursday Grand Met had won control of nearly 80 per cent of Coral's 84.4m shares, including 6m bought in the market.

Mr. Clifford Smith, Grand Met's finance director, said a takeover of Coral was now "much less likely," with the involvement of the Monopolies Commission.

As well as betting shops, the Commission will look into the two groups' casino operations—Coral plans to appeal against *cancellation of three London* licences—and possible trading advantages for other divisions *of Grand Met, which has large* drink, dairy and catering interests.

One of Coral's major divisions is Pontin's holiday camps, a major food and drink customer. It also owns Centre Hotels, among the least profitable of *its activities*.

Before Grand Met made its bid, Taj Hotels of India had agreed *to pay about £27m for two-thirds* of the hotel operation. Grand Met has said it will buy the hotels itself if the bid does not go through and no higher offer for them emerges.

Grand Met's approach came after Coral announced a collapse in its first-half profits from nearly £6m before tax to barely more than £300,000.

Cut-price coaches boost travel

BY JAMES McDONALD

THE NEW era of cut price long distance coach travel, ushered in by the removal of virtually all licensing restrictions nearly two weeks ago, appears to have brought a big increase in passengers.

British Coachways, the private enterprise consortium set up to take on the state-owned National Express, says that results have exceeded expectations. The nationalised former monopoly holder, which cut fares in response, say business is noticeably higher than a year ago and British Rail "*hasn't noticed*" *any downturn* in traffic on the routes involved.

The substantial fares cut introduced by *British* Coachways and partially countered by National Express's stand-by *fares may have generated* a new market, National Express said yesterday. "With a £2 fare *from London to Birmingham* it is now arguably cheaper than hitch-hiking," said National Express.

Mr. Michael Kay, marketing manager of British Coachways, said yesterday that the consortium would be carrying 2,000 passengers this weekend and that it expected to carry its 10,000th passenger by the end of this month. Three new members have joined the original six operators in the group, including Bartons of Nottingham with about 300 coaches, bringing BC's coach pool to *more than 1,000 units*.

Mr. Kay said that traffic on all eight routes from London had been *high*, in every case exceeding the 80 per cent load factor which the coaches needed to be profitable. The Birmingham service had been very successful and so also had the Glasgow service (with a single fare of £7.50) with nine coachloads coming down at the weekends. On the Plymouth and *Bristol* routes a daily service had had to be introduced instead of three a week as *planned*.

From the beginning of next month BC will introduce four *new services from London*—to Bournemouth, Edinburgh, Dundee and Perth,—and also a Swansea-Birmingham service.

"In fact our target of carrying 600,000 passengers by the start of the tourist season next May, which I had regarded as rather pie in the sky, now seems possible," said Mr. Kay.

The consortium has had some problems, partly caused by the fast public reaction and partly by National Express banning BC coaches from its bus stations in Exeter, Sheffield and Cardiff. This has forced BC to make *arrangements with local police* authorities for temporary pick-up and set-down points but the group is having *discussions with* the local authorities who lease the coach station grounds to National Express.

"All our members are well established coach operators and we hope some local authorities may be persuaded to lean slightly on National Express," Mr. Kay said.

The consortium has advertised its facilities widely in local newspapers in the areas involved and is making full use of travel agents' facilities, offering them up to 13 per cent commission in London and *10 per cent in the provinces*.

National Express said yesterday that it was "very pleased" with the amount of business it had received since its routes were opened to competition. "We believe there has been a general increase as a result of the amount of publicity that has been generated."

Traffic was higher than at this time a year ago, particularly on the trunk routes with competing services. "We believe the lower fares have opened a new market, attracting people outside the coach trade," National Express said.

British Rail is countering with its "go anywhere for £1" offer during November for senior citizens with Railcards and has cut the price of its Family Railcard from £16 to £5.

If competition continues to increase on the main trunk routes, however, with National Express having to operate with lower profit margins, one casualty may be its network of less profitable rural services.

Weather

UK TODAY

SUNNY PERIODS, showers, snow on hills. Max. 11C (52F).

Outlook: Warmer, but with further rain at times.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	20	68	Jo'burg	S	27	81
Alxndria.	F	27	81	L. Plms.	F	22	72
Algiers	C	19	66	Lisbon	F	15	59
Amsdm.	R	13	55	Locarno	R	12	54
Athens	F	24	75	London	C	10	50
Bahrain	S	31	88	Luxmbg.	C	9	48
Barclna.	C	14	57	Luxor	S	36	97
Beirut	S	17	63	Madrid	F	11	52
Belfast	S	10	50	Majorca	F	16	61
Belgrd.	F	23	73	Malaga	F	19	66
Berlin	F	17	63	Malta	S	29	84
Biarritz	C	12	54	M'chstr	R	8	46
Bmghm.	R	7	45	Melbne.	S	15	59
Blackpl.	F	9	48	Milan	F	16	61
Bordx.	C	12	54	Mntreal.	C	5	41
Boulgn.	C	11	52	Moscow	C	10	50
Bristol	R	8	46	Munich	C	14	57
Brussels	C	11	52	Nairobi	F	29	84
Budpst.	S	20	68	Naples	C	22	72
Cairo	S	30	86	Nwcstl.	R	8	46
Cardiff	C	9	48	N. York	S	16	61
Cas'b'ca	C	18	64	Nice	R	15	59
Cape T.	S	17	63	Nicosia	S	25	77
Cologne	C	12	54	Oporto	F	13	55
Cpnhgn.	C	13	55	Oslo	Sl	3	37
Corfu	F	25	77	Paris	C	12	54
Dublin	F	11	52	Perth	C	17	63
Dbrvnk.	F	22	72	Prague	F	18	64
Ednbgh.	F	8	46	Reykjvk.	S	2	36
Faro	F	16	61	Rhodes	S	24	75
Florence	C	17	63	Riyadh	S	33	91
Frankft.	C	12	54	Rome	S	22	72
Funchal	C	19	66	Salzbrg.	C	22	72
Geneva	R	9	48	Stckhm.	C	8	46
Gibrltr.	S	19	66	Strasbg.	R	12	54
Glasgow	F	9	48	Tangier	F	18	64
G'rnsey	C	9	48	Tel Aviv	F	25	77
Helsinki	F	4	39	Tenerife	C	17	63
Innsbrk.	C	14	57	Tunis	S	26	79
Invrnss.	R	7	45	Valencia	S	17	63
I.o.Man	F	9	48	Venice	C	19	66
Istanbul	S	21	70	Vienna	F	18	64
Jeddah	S	35	95	Warsaw	S	13	55
Jersey	C	10	50	Zurich	R	9	48

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

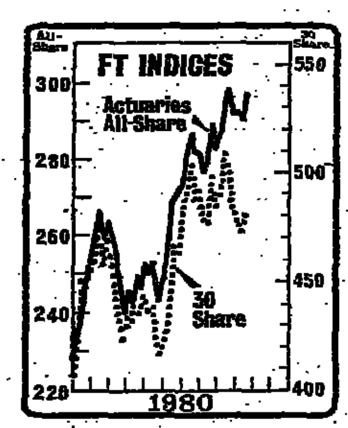
THE LEX COLUMN

Coral nobbled at the post

The equity market snapped back this week, and the F.T. 30-Share Index reversed its fall over the previous five trading days with a rise of 14.8 points. The mood each day appears to have been set quite largely by the trend in the gilt-edged market, though the equity movements have been a lot sharper *than in fixed interest stocks*. But after a strong start to the week, gilt-edged have run into a bout of indigestion; a fair amount of new stock has been absorbed, and moreover overseas investors may have been unnerved by *indications* of further upward pressure on U.S. interest rates.

The All-Share Index is back *up to within half a percentage* point of its all-time peak, and continues to perform more strongly than the 30-Share Index which is still some 25 points below its 1980 high, let alone the all-time peak of May 1979. Its underperformance has been especially noticeable in the past two months, and is explained by *its heavy concentration on manu*facturing industry.

Index rose 0.7 to 481.1



Grand Met./Coral

The reference of Grand Metropolitan's *agreed offer for Coral* Leisure to the Monopolies Commission hardly comes out of the blue. For the proposed merger threatened to produce a group with market shares of a quarter or more in both betting and casinos in the Greater London area. Furthermore, the 1978 Royal Commission on gambling recommended a study of bookmaking finances, possibly by the Office of Fair Trading or the Monopolies Commission. With these chips stacked against the deal, the last thing either side can have wanted was a public row over a golden handshake.

The likelihood of the full takeover going through now must be questionable, and Grand Met may decide to withdraw its offer completely rather than defend a difficult case before the commission. Certainly, one aspect of the deal looks much less attractive simply because of the reference. Given the Playboy Club's success on Thursday in winning its appeal to keep the Victoria Sporting Club running—on the ground of changed ownership—Grand Met had high hopes of winning the Coral appeal early next year, so long as it was in control. But now the appeal will take place before the conclusion of the Monopolies Commission investigation, so at that stage Coral will still be managing the casinos.

Grand Met may have to buy Centre Hotels from Coral anyway—*for about £30m*—under the terms of the offer document, while after yesterday's 11p drop in the Coral *share* price to 81p it is already facing a loss of about £½m on the shares it has bought through the market.

If Grand Met pulls out, at least the sale of Centre Hotels will means that Coral's net debt — currently standing above £70m—will become more manageable. But earnings projections must be hazardous if the company remains independent. If there is a large cut in the interim dividend next week it would not be surprising to see the shares fall to the 65½p at which they were standing before the offer. However, with asset backing after the revaluation probably close to yesterday's share price, a counter-bid would clearly not come as a complete surprise.

Trust bids

It used to be financial concerns like *banks and insurance* companies which bought up investment trusts to turn them into cash, but a *number of commer*cial and industrial concerns are now exploiting this technique, which is effectively an alternative to a rights issue. Yesterday Brooke Tool announced an agreed *bid for Provincial Cities* Trust, and Greycoat Estates revealed a similar deal with the *controlling shareholder* in Cumulus Investment Trust. Last month Hawley Leisure bid for Progressive Securities Investment Trust. All these takeovers are in the £2m to £3m range.

Various merchant bankers have been poring over lists of suitably sized investment trusts and sounding out the likely ones.

Some trusts have been willing to be bought out for premiums over net worth—10-20 per cent for an offer in shares, and 3-7 per cent for a cash alternative. But the word is that the list of willing victims has now been exhausted.

Why not just have rights issues? The argument is that trust bids are cheaper, partly because the *new shares* can be issued at a discount of only 5-10 per cent to the market price to *provide the underwritten* cash alternative, compared with discounts of around 20 per cent common on rights issues. But the premium paid for the assets also has to be taken into account, and anyway it is misleading to compare a discount offered to a company's own shareholders with discount offered to outsiders.

If the shares are overvalued, however, it can certainly be worthwhile to issue them to outsiders. And there is another interesting point in the case of Brooke Tool: *it is raising around* £2m against an existing market capitalisation of only £3.2m. An *equivalent rights issue would be* so "heavy" as to be almost impracticable.

Mettoy

Mettoy's £2.2m interim loss is as discouraging as the £6m loss reported by the larger toy manufacturer, Lesney, last week. But while Lesney's balance sheet is in a parlous state, Mettoy's net borrowings at the peak of stocking during the summer probably did not exceed £5.4m or about 40 per cent of the reduced shareholders' funds.

Mettoy's sales, however, were much weaker in its 36-week period to September 6 than Lesney's in its 24-week period to July 13, mainly because of increasing foreign competition at home and abroad against the Corgi die-cast models, which account for about half of Mettoy sales.

Although retailers are said finally to have shown some interest in rebuilding stocks in the past fortnight, the Christmas period will probably not produce much if any recovery. In anticipation of an extended period of difficult trading, the company is cutting its UK workforce by more than a tenth and has put a warehouse up for sale to raise £2.5m in cash.

At yesterday's share price of 19p, down 2p to the low for the year, the market values Mettoy at only £3.4m, less than 1978 profit and much less than the value of the group's property.

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